



2020/2021 FINAL DRAFT INTEGRATED DEVELOPMENT PLAN



10 Connor Street
Port Shepstone
4260



TABLE OF CONTENTS

TABLE OF CONTENTS	2
SECTION A: EXECUTIVE SUMMARY	1
1.1 Settlements.....	3
1.2. Settlement Typology	7
1.3 Population	7
1.4 Economic Development	8
1.5 Opportunities and Development Strengths.....	9
1.5.1 Tourism	10
1.5.2 Agriculture	11
1.5.3 Manufacturing and retail	12
1.5.4 Mining	12
1.6 Urbanization, Development and Upgrades.....	12
1.7 Investment Opportunities (Catalytic Projects)	12
1.8 Infrastructure.....	20
1.9 Municipal Governance.....	23
1.11 Vision and Mission Statement	26
1.12 Goals and Objectives	27
1.13 Core Values	30
1.14 Key Challenges	31
1.15 How the IDP was formulated	33
1.16 Organizational Performance Management Framework	43
1.17 How will Performance Be Measured	43
1.18 How the IDP was formed	43
SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES & GOVERNMENT POLICIES & IMPERATIVES.....	47
2.2 National Development Plan: 2030	48
2.12 The Municipal Planning Tribunal	57
2.13 STRATEGIC FRAMEWORK/VISION,GOALS AND OBJECTIVES	57
2.14 Strategic Objectives.....	60
2.16 Long term vision	61



SECTION C: DEMOGRAPHIC ANALYSIS	62
3.1. Population Profile	62
3.2 RNM population compared to other KZN Local Municipalities' population	65
3.3 Population Growth	66
3.3 Population Distribution	67
3.3 Population by home Language.....	69
3.5 Population by Age Groups	69
3.6 Population Pyramid (Age) by Gender	72
3.7 Race Population Distribution per ward	74
3.8 Household Size	75
3.9 Household Head by Age	75
3.10 Household by gender	76
3.12 Dependency Ratio	80
3.13 Poverty.....	81
3.14 Social development Analysis C 5.2.1	82
3.15 Key Findings.....	99
SECTION D: THE 6 NATIONAL KEY PERFORMACE AREAS ANALYSIS.....	100
4.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS	100
Introduction	100
Illustration: LED Hierachy of reporting.....	102
4.1.26 Access to recreational facilities.....	152
4.1.27 Thusong Service Centers	154
4.1.28 Safety and Security	154
4.1.29 Key Findings.....	156
4. 1.30 Conclusion	156
4.1.31 Local Economic Development and Social Development SWOT Analysis	157
4.2 CROSS CUTTING ISSUES ANALYSIS.....	158
4.2 1 Introduction.....	158
4.2.2 Spatial Development Vision and Mission	158



4.2.3 Spatial Planning	158
4.2.4 Structuring Elements	160
4.2.5 Land scape character and built form	161
4.2.6 Land Cover and Broad Land Use	162
4.2.7 Land Legal Issues	166
4.2.8 Land Use Management	169
4.2.9 Municipal Nodes	169
4.2.10 Hierarchy of Development Corridors	173
4.2.11 Densification	178
4.2.12 Cross-Border Alignment Issues.....	179
4.2.14 Environmental Management	184
4.2.15 Environmental Sector Plans	185
4.2.16 Functional Environmental Structures within the Municipality	187
4.2.17 Climate Change	188
4.2.18 Geology.....	192
4.2.19 Air Quality.....	194
4.2.20 Environmental SOWT Analysis	198
• Partnering with the private sector and schools	198
• Awareness Programs in place	198
• Easy access to environmental protected areas	198
• Under staffed	198
• No environmental By laws.....	198
4.2.21 Disaster Management.....	198
4.2.22 Risk Assessment	200
4.2.23 Response and Recovery	206
4.2.24 How the municipality has responded to Goal 7 of the PGDP 2035: Spatial Equity.....	208
4.2.25 Key Findings	210
4.3 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPNMENT ...	212
4.3.1 Organizational Development	212
4.3.2 Institutional Arrangements	212



4.3.3 Organogram	213
4.3.4 Municipal Powers and Functions.....	214
4.3.5 Institutional Capacity and Human Resource Development	217
4.3.6. IT Strategy	219
4.3.7 Inter-Governmental Relations Structures.....	220
4.3.8 Institutional Structures.....	222
4.3.9 Key Findings	223
4.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	225
4.5 BASIC SERVICE DELIVERY AND INFRASTRUCTURE.....	252
4.5.1 Water	252
4.5.2 Access to sanitation.....	255
4.5.3 Solid Waste Management	257
4.5.5 Energy.....	278
4.5.6 Transportation Infrastructure.....	284
4.6 Municipal Financial Viability And Management Analysis	291
4.6.1 Capital Funding and Expenditure to address Service Delivery	291
4.6.2 Capital Projects	292
4.6.3 Investment register	297
4.6.4 Capital Expenditure	297
4.6.5 Operating expenditure	298
4.6.6 Employee related details and Councillors	298
4.6.8 Free Basic Services: Basic Social Service Package	299
4.6.9 The Indigent Policy.....	299
4.6.10 Revenue Raising/Enhancement Strategy	300
4.6.11 Property Rates.....	302
4.6.12 Revenue Protection (Debt Management)	304
4.6.13 Financial Management	307
4.6.14 Assets and infrastructure.....	307
4.6.14 Technical Organogram	311
4.6.15 Financial Viability/Sustainability	312
4.6.16 Loans and Borrowings and Grant Dependency	316



4.6.17 Auditor General's Opinion.....	316
4.6.18 Financial Plan (<i>See Attachment No. 9</i>).....	317
4.6.19 MFMA Circulars	317
4.6.20 Funding the Budget	317
4.6.21 PART 2 MAIN BUDGET TABLES	321
4.6.22 Basic Service Delivery Measurement.....	330
4.6.23 Overview of the annual budget process	331
4.6.23 Financial Modelling and Key Planning Drivers	333
4.6.24 Community Consultation.....	334
4.6.26 DEBTORS PER CATEGORY - 30 JUNE 2020.....	344
4.6.26.1 Capital projects	344
4.6.27 Basic Service Delivery Measurement.....	351
4.6.28 Municipal Strategic Objectives	352
4.6.29 Municipal Financial Position	353
4.6.30 Findings	357
SECTION E: ORGANIZATIONAL PERFORMANCE MANAGEMENT FRAMEWORK.....	358
6.1 CAPITAL INVESTMENT PLAN : 2020/2021 REVIEW	365
SECTION F :SECTOR DEPARTMENTS PROJECT ALIGNMENT	387
6.1.1 One Plan One Budget	387
6.1.2 Transfer of funds to Ray Nkonyeni municipality	390
SECTION G: 5 YEAR IMPLEMENTATION PLAN	395



LIST OF TABLES

Table 1: Town Centres	3
Table 2: Traditional wards	3
Table 3: Ward Clusters	5
Table 4: Catalytic Projects	13
Table 5: Infrastructure Projects.....	20
Table 6 : Line Managers	25
Table 7:Goals, RElevant Strategic Objectives.....	27
Table 8: Challenges and Interventions	32
Table 9 : 2019/20 MEC comments	34
Table 10: SWOT Analysis	45
Table 11: Sustainable Development Goals and alignment	47
Table 12: PGDS and RNM alignment.....	53
Table 13: Strategic development & alignment matrix	54
Table 14: Goasl & Strategic objectives.....	58
2.13.3 Table 15: VISION	60
2.13.4 Table 16: MISSION	60
Table 17: Youth Percentage per Municipality.....	72
Table 18: Household Head Size	75
Table 19: Dependency Ratio	81
Table 20: Highly deprived wards	82
Table 21: Health Care Centers.....	91
Table 22: Phila Mntwana Sites	93
Table 23: Responsive projects for vulnerable groups.....	98
Table 24: Responsive Agricultural Programmes	109
Table 25: CASP projects.....	112
Table 26: Food security projects Summary.....	113
Table 27: Community gardens	113
Table 28: Indegenous goat farming project	114
Table 29: Industrial areas	116
Table 30: SWOT ANALYSIS.....	122
Table 31: Municipal initiatives	137
Table 32: Local economic development	157
Table 33: Protected Areas	195
Table 34: Ecological Support Areas	195
Table 35: Projects aimed at protecting the environment.....	196
Table 36: Environmental SWOT Analysis	198
Table 37: Maximising vulnerability reduction.....	205
Table 38: Key Findings.....	210
Table 39: Disaster SWOT analysis	210
Table 40: Cross Cutting SWOT Analysis.....	211



Table 41: Vacancy rate	214
On the following page is Table 42: Municipal Powers and Function	215
Table 43 : Occupation category.....	219
Table 44: Key Findings	223
Table 45: Municipal Transformation and Organizational Development SWOT Analysis	224
Table 46: Intergovernmental Relations	226
Table 47: Municipal Structures	228
Table 48: Process Plan and Internal Structures	232
Table 49: Improvement Plan.....	241
Table 50 : Municipal policies/strategies and plans	245
Table 51: Good Governance and Public Participation SWOT Analysis	251
Table 52: Type of toilets systems	255
Table 53: Housing Needs/Backlogs	267
Table 54: Number of Projects in terms of Different Programmes.....	270
Table 55: Completed Human Settlements Projects.....	270
Table 56: Projects in construction Phase	271
Table 57 : Projects in planning phase.....	272
Table 58: Electrification Projects and backlog	282
Table 59 : Basic service delivery and infrastructure SWOT ANALYSIS	289
Table 60 : MBRR A5-Budgeted Capital Expenditure by vote,standard classification and funding source.....	291
Table 61 : List of capital projects.....	292
Table 62 : Investment register	297
Table 63 : Summary of operating expenditure by standard classification item	298
Table 64 : Employee related costs and Councillors	298
Table 65 : Operating transfers and grants	301
Table 66 : Proposed rated increase for the 202/21 financial year	303
Table 67 : SA 13b Service Tariffs by category-explanatory.....	305
Table 68 : SA 14 Household bills	306
Table 69 : MBRR TABLE ASSET TABLE	308
Table 70 : Financial Viability.....	312
Table 71 : SA Loans and Borrowings	316
Table 72: MBRR Table A1	321
Table 73 : A2- Budgeted Financial Performance (revenue and expenditure by standard classification).....	322
Table 74 : MBRR Table A3- Budgeted financial performance (revenue and expenditure by vote)	323
Table 75 : MBRR table A4 Budgeted financial performance (Revenue and expenditure)	325
Table 76: Consolidated Overview	326
Table 77: Employee related cost details and Councillors	327
Table 78 : MBRR Table A6- Budgeted financial position.....	328



Table 79 : MBRR A8-Cash reserves/Accumulated surplus reconciliation	329
Table 80 : Table A7 Budgeted Cash Flows.....	329
Table 81: Collection and Expenditure Rates	331
Table 82 : Reconciliation of IDP Strategic Objectives and Budget	337
Table 83 : SA 8 Performance Indicators	339
Table 84 : Investment Particulars.....	340
Table 85: SA 19 Grants and Subsidies expenditure	341
Table 86:SA 20 Reconciliation of transfers, grants and unspent funds.....	342
Table 87:SA 21 Grant and Subsidy made by the Municipality	343
Table 88: SA 22 Councillors and staff benefits.....	343
Table 89: SA 36 List of Capital Projects	345
Table 90: Asset Management.....	349
Table 91: Debtors per type 30 April 2020	351
Table 92: SA 3 Detail Municipal financial position	354
Table 93: SA 8 Performance Indicators	355
Table 94: SA18 Transfers and Grants Receipts	356
Table 95: Municipal Financial Viability SWOT	357
Table 96: OPMS Framework.....	363
Table 97: Local Government MTEF Allocations 2020/21-2022-23	387
Table 98: Projects as published by Provincial Treasury for RNM	390
Table 99: Department of Social Development.....	392
Table 100: Current and committed SLP projects	393
Table 101: Privately Proposed projects	394



LIST OF GRAPHS

Graph 1: Ray Nkonyeni's revenue from July 2019-June 2020	9
Graph 2: Population Growth estimates %	63
Graph 3: Population Percentage per Local Municipality	64
Graph 4: Top 6 KZN LMs	66
Graph 5; Home Language Percentage.....	69
Graph 6: Population Distribution by age group	70
Graph 7: Population by Broad Age Groups	71
Graph 8: Population by 5 Year Age Groups	71
Graph 9: RNM Population Pyramid (Population by gender)	73
Graph 10: RNM Households by Broad Age Groups.....	76
Graph 11: Household Heads by Age and Gender.....	76
Graph 12: RNM Households by dwelling	77
Graph 13: Households involved in agriculture	107
Graph 14: Employment by Race breakdown	141
Graph 15: Levels of Education	145
Graph 16: Types of sanitation.....	256

ATTACHMENTS

Attachment	No	Attachment	No
SDBIP	1	Public Safety Strategy	14
Finance Certificate	2	Housing Sector Plan	15
AG report	3	Electrification Master Plan	16
LED Strategy	4	Indigent Policy	17
EPWP Policy	6	Investment enhancement Strategy	19
Disaster Management Sector Plan	7	Ugu WSDP	20
Disaster Management Plan	8	PPI	1
Financial Plan	9	Implementation Plan	24
Workplace Skills Plan	10	DOE Projects	25
Recruitment and selection Policy	11	Communication Strategy	26
HRD Strategy	12	Organogram	27
IT Strategy	13	Indigent Register	28
		2020/2021 Draft Process Plan	29
		Integrated Waste Management Plan	30
		Procurement Plan	31



LIST OF MAPS

Map 1: Locality, Source: GIS 2020, Source GIS Unit 2020	2
Map 2: Traditional Authority	6
Map 3: Infrastructure Backlog.....	22
Map 4: PGDS Nodes, Source GIS Unit 2020	52
Map 5: Population Distribution.....	68
Map 6: Industrial Development Zones	117
Map 7: Schools within the municipality	143
Map 8: Health facilities.....	148
Map 9: Sports complex and sports field.....	153
Map 10: Population density.....	160
Map 11: Agriculatural Land (Act No. 70 of 1970)	164
Map 12: Land Categories, Source GIS Unit 2020	165
Map 13: Land Ownership	167
Map 14: Land Reform	168
Map 15: Nodes & Corridors	171
Map 16: Umuziwabantu SDF.....	180
Map 17: Umzumbe SDF	182
Map 18: Waste collection in rural areas.....	260
Map 19: Waste Minimisation Projects	262



ACRONYMS

Acronym	Description	Acronym	Description
ABET	Adult Basic Education & Training	DFA	Development Facilitation Act, 1995 (Act no. 67 of 1995)
AIDS	Acquired Immune Deficiency Syndrome	DM	District Municipality
AFS	Annual Financial Statements	DOH	Department of Health
AG	Auditor-General	DORA	Division of Revenue Act
ANC	African National Congress	DOT	Department of Transport
APAC	Association of Public Accounts Committees	DSB	Development and Services Board
ARV	Antiretroviral (Treatment or Therapy)	DTI	Department of Trade and Industry
BAS	Basic Accounting System	DWA	Department of Water Affairs
BBBEE	Broad Based Black Economic Empowerment	EAP	Employee Assistance Programme
CAA	Civil Aviation Authority	EIA	Environmental Impact Assessment
CBD	Central Business District	EMP	Environmental Management Plan
CBO	Community Based Organisation	EPWP	Expanded Public Works Programme
CCDF	Consolidated Capital Development Fund	EXCO	Executive Committee
CCTV	Close Circuit Television	FBS	Free Basic Services
CFO	Chief Financial Officer	FET	Further Education and Training
Cllr	Councilor	FMG	Financial Management Grant
COOP	Cooperative	FPA	Fire Protection Association



CPF	Community Police Forum	GAMAP	Generally Accepted Municipal Accounting Practices
DA	Democratic Alliance	GDP	Gross Domestic Product
DAC	Department of Arts and Culture	GDS	Growth and Development Strategy
DBSA	Development Bank of Southern Africa	GIS	Geographical Information System
DAEA	Department of Agriculture and Environmental Affairs	GRAP	Generally Recognised Accounting Practice
DCS	Department of Corporate Services	HCDA	Hibiscus Coast Development Agency
DCOMMS	Department of Community Services		
DSPG	Department of Strategic Planning and Governance		
DDPS	Department Development Planning Services		
DTS	Department of Technical Services		
DTS	Department of Technical Services		
HCM	Hibiscus Coast Municipality	KPA	Key Performance Area
HDI	Historically Disadvantaged Individual	KPI	Key Performance Indicator
HEAC	Housing Evaluation Assessment Committee	KZN	KwaZulu-Natal



HIV	Human Immunodeficiency Virus	LA	Local Authority
HOD	Head of Department	LAC	Local AIDS Council
ICC	International Convention Centre	LGSETA	Local Government Sector Education Authority
ICT	Information Communication Technology	LED	Local Economic Development
IDC	Industrial Development Corporation	LLF	Local Labour Forum
IDMSA	Institute of Disaster Management of South Africa	LM	Local Municipality
		LUMS	Land Usage Management System
IDP	Integrated Development Plan	MAMC	Margate Airport Management Company
IEC	Independent Electoral Commission	MCPF	Municipal Councillors' Pension Fund
IFP	Inkatha Freedom Party	MDB	Municipal Demarcation Board
IGR	Inter-Governmental Relations	MDG	Millennium Development Goals
ILGM	Institute for Local Government Management of South Africa	MEC	Member of Executive Committee
IMATU	Independent Municipal and Allied Trade Union	MFMA	Municipal Finance Management Act, 2003 (Act N° 56 of 2003)
IMESA	Institute of Municipal Engineers of South Africa	MIG	Municipal Infrastructure Grant
IMFO	Institute for Municipal Financial Officers	M&E	Monitoring and Evaluation
ISRDP	Integrated Sustainable Rural	MIU	Municipal Infrastructure Investment Unit



	Development Programme		
IT	Information Technology	MINMEC	(Meeting between the) Minister (of DPLG) and Members of the Executive Council responsible for local government
MIR	Municipal International Relations	RNM	Ray Nkonyeni Municipality
		SAMWU	South African Municipal Workers Union
MLB	Motor Licensing Bureau	SAP	South African Police
MM	Municipal Manager	SANRAL	South African National Roads Agency Ltd
MPCC	Multi-Purpose Community Centre (Thusongs)	SCM	Supply Chain Management
MPRA	Municipal Property Rates Act, 2004 (Act N°6 of 2004)	SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Structures Act, 1998 (Act N° 117 of 1998)	SDF	Spatial Development Framework
MSA	Municipal Systems Act, 2000 (Act N° 32 of 2000)	SEA	Strategic Environmental Assessment
MSIG	Municipal Systems Improvement Grant	SEDA	Small Enterprise Development Agency
MSP	Municipal Service Partnerships	SMME	Small, Medium and Micro Enterprise
MTAS	Municipal Turnaround Strategy	STATSSA	Statistics South Africa
MTEF	Medium Term Expenditure Framework	STI	Sexually Transmitted Infection



MTREF	Medium Term Revenue and Expenditure Framework		
NDP	National Development Plan	TB	Tuberculosis
NERSA	National Energy Regulator of South Africa	UGU	Ugu District Municipality
NGO	Non-Governmental Organization	WSP	Workplace Skills Plan
NHBRC	National Home Builders Registration Council	WSSD	Workplace Skills Plan
NSRI	National Sea rescue	SOPA	State of the Province Address
OHS	Occupational Health and Safety	SONA	State of the Nation Address
OPMS	Organizational Performance Management System	SWOT	Strength, Weaknesses, Organizational, Threats
PGDS	Provincial Growth and Development Strategy		
PMS	Performance Management System		
SALGA	South African Local Government		
SCDA	South Coast Development Agency		



BRIEF OVERVIEW OF RAY NKONYENI MUNICIPALITY

Ray Nkonyeni Municipality is a newly established local municipality. Former Hibiscus Coast Local Municipality and former Ezingoleni Local Municipality were disestablished to form the new municipality. The municipality is one of the four local municipalities under Ugu District Municipality. Ray Nkonyeni Municipality is ranked number five out of the forty three local municipalities in terms of population in the province of KwaZulu Natal (KZN). Amongst all the newly merged municipalities in the province, Ray Nkonyeni Municipality is the only municipality that received a clean audit for the current financial year. The municipality consists of a diverse population. There are thirty six wards in total, seventy one councillors and seven departments. Ray Nkonyeni Municipality is headed by Her Worship, the mayor Cllr. NCP Mqwebu while the administration side is headed by Mr SM Mbili.

Ray Nkonyeni Municipality is a strong tourist attraction destination, boasting of well-developed products. Added to that, is the climate which is humid and subtropical all year-round, thus a leading tourist destination in KZN. Margate and Port Shepstone are two main centres with public infrastructure, beautiful coastline with blue flag beaches and tourism, the latter mainly playing administrative role while the former is more of tourism attraction point with most tourism products developed in and around this town.

The municipality boasts of breath taking gorges and valleys, beautiful country slopes covered in rich soils. The Indian Ocean borders the Eastern side of the municipality and covers approximately 72 km of the coastal belt. It is a marvel to watch the meandering many lazy rivers within the municipality as they slowly flow towards the mighty Indian Ocean. Up the valleys are natural ponds and dams that are homes to many different fish species and are huge tourist attractions. The municipality's environmental sensitive protected areas is home to a number of endangered species and indigenous forests, hence they are highly protected. There are many small towns dotted along the coastal belt, while the hinterland has nine traditional authoritative lands.

Ray Nkonyeni Municipality further boasts of a very active air infrastructure with flights flying to a number of destinations within the country.



Ray Nkonyeni Municipality in Council

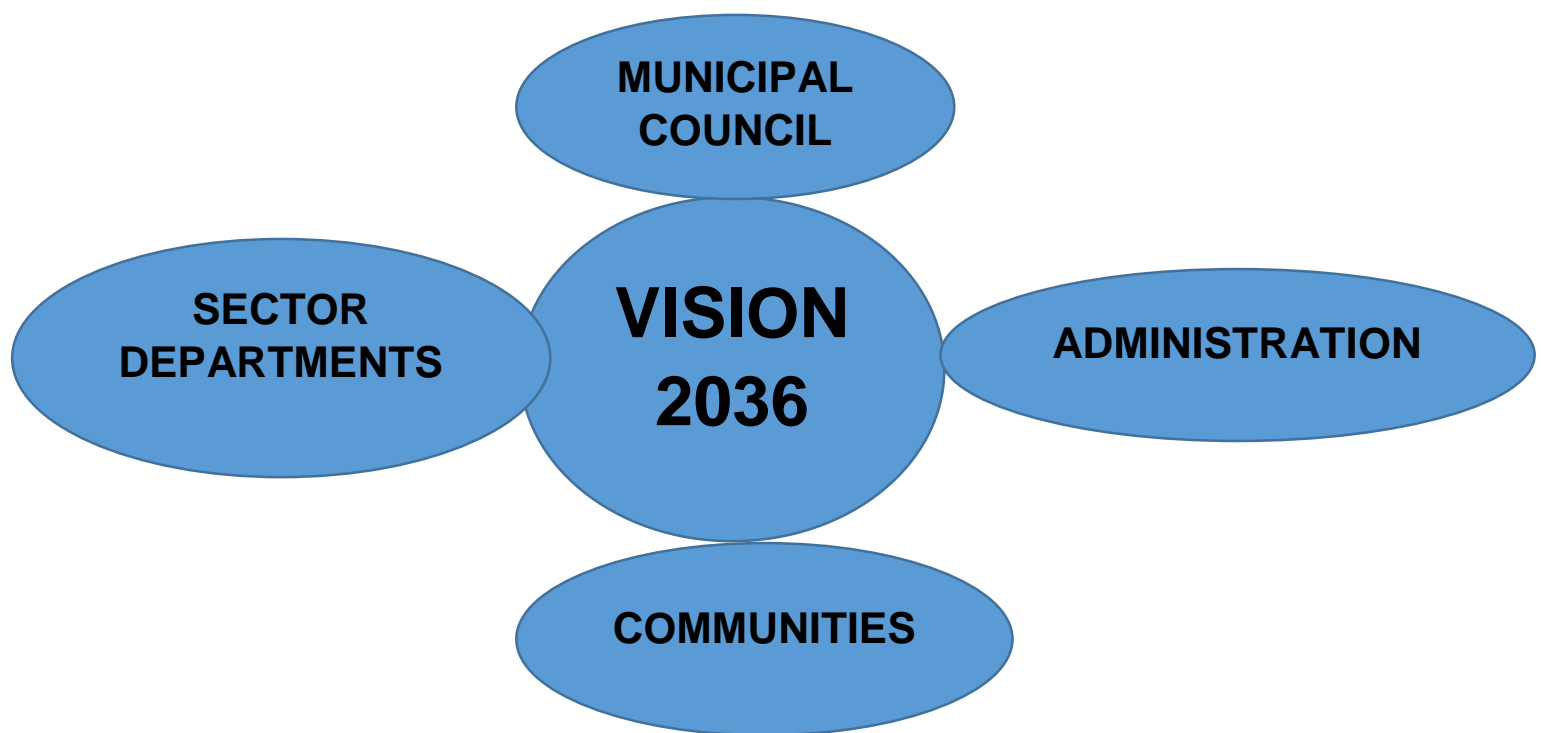


Landscape Character of the Municipality





HOW RAY NKONYENI MUNICIPALITY SEEKS TO ACHIEVE ITS 2036 LONG TERM VISION



***THROUGH COLLECTIVE EFFORT THE MUNICIPALITY AS THE
SOUTH COAST GAME CHANGER WILL ACHIEVE ITS LONG TERM
GOAL***



FORWORD FROM THE MAYOR

Ray Nkonyeni municipality's Integrated Development Plan (IDP) serves as an enabling instrument for mutual accountability in the agreed priorities and allocation of resources to contribute to the long and short-term development of the municipality and the people of Ray Nkonyeni as a whole.

This is the review of the initial Integrated Development Plan (IDP) that was adopted by Council and reflects our responsiveness and level of accountability towards the public, in vigorous pursuit to address the critical needs of our communities. The annual cycle of the IDP review presents us with an opportunity to intensify and re-emphasise our efforts in the provision of quality and affordable basic services, providing a safe and clean environment, improving the living conditions of all citizens, and creating a favourable environment for the local economy to thrive. This IDP document is the principal strategic planning document which, through public participation, guides and informs all planning and development in the Municipality. It is in that context that we will continue giving life to the intentions of this document.

While the annual review of the IDP is legislated, it is also important for Council's planning that these plans are consistently updated and that we continue to engage with our stakeholders. The review further allows the Ray Nkonyeni municipal council to address emerging challenges and evolving priorities. The information contained in the five-year IDP approved after the 2016 local government elections will not be discarded but will, through the annual review seek to set out further implications and meaning of our strategic objectives in each year.

The Ray Nkonyeni Municipality will continue to use the IDP as a roadmap to help meet community needs, while ensuring continued growth, equity and empowerment of the poor. Having said so, it may be unrealistic to assume that all projects prioritised during the IDP process will be funded from the annual municipal budget. Some may be beyond the reach of local government, whilst others may not be possible due to the sheer scale of the work involved. This, however, does not mean that these projects should not be pursued. Together with affected stakeholders, we should be able to seek alternative sources of funding to ensure that as many as possible of the needs identified, can be addressed.

As the local authority, we have over the years also succeeded in managing our finances efficiently. Achieving consistent positive audit outcomes gives us a strong foundation to build on towards the realisation of our vision for the future. The Municipality will continue to align itself with the National Development Plan (NDP), Vision 2030, and other national and provincial strategies. Working together with these spheres of government, we remain committed and focused to achieve the goals we have set for ourselves.

I trust that this document will serve to synergise and better coordinate our partnership with our colleagues in government, the people of Ray Nkonyeni municipality and all those who live, work, study and do business in our area.

Cllr NCP Mqwebu
Mayor



MESSAGE FROM THE MUNICIPAL MANAGER

The globe is currently faced with a deadly pandemic disease that has claimed thousands of lives.. South Africa has responded by locking down all activities and applied a Stay at home policy to assist curb the disease. We, as Ray Nkonyeni Municipality, also feel the pinch as revenue has declined due in all economic activities halted, however, our heartfelt condolences are extended to all affected. As a municipality, we are doing our level best to combat the situation by ensuring that our communities are well educated about this virus and also ensure that the regulations are strictly adhered to. Amid the pandemic, Ray Nkonyeni Municipality wants to ensure its communities that service delivery will not be hindered, at the same time, ensuring that our committed essential services workers have the proper PEPs so as not to endanger their lives while in the line of duty.

Accordingly, we had to respect and implement the participatory approach that we are mandated to follow. In line with that, a number of public engagements were held including Mayoral Izimbizo, public notices in the local media and IDP Representative Forums to ensure we compile a comprehensive IDP. The participatory approach always proves useful for the municipality ensuring that there is transparency and accountability to its communities at large. It therefore becomes an important platform where the municipality has an open engagement with its communities and stakeholders at a grass root level.

The year under review has seen a renewed commitment to address the challenges the municipality has faced. The Municipality has worked hard to fulfil its legislative mandate. Through its hard work and focus the municipality managed to maintain its stability and prosperity. The municipality has seen much growth, vibrancy and commitment in fulfilling its mandate.

It is important to note that challenges still prevail in meeting its local government mandate. The municipality is well placed to provide strategic direction. It has developed creative ideas to meet its mandate and mitigate risks. The municipality is striving to meet the millennium development goals. Thus improvement was seen on infrastructure, health care, financial management, provision of basic services, and other municipal mandates.

During the year under review the municipality developed the SDBIP which was informed by and aligned to the five year IDP and the municipal budget. The SDBIP translated the IDP objectives into operational plans with specific targets and budgets per quarter.

I take pride in announcing that Ray Nkonyeni Municipality has produced one of the best credible IDPs in the Province in the last two consecutive years.

Finally, the Municipality is set to kickstart the 2020/2021 Financial year on a very top gear to achieve goals set as they appear in the IDP. We will also ensure that service delivery talks to strategies in the IDP. As a municipality, we are determined to ensure that we comply with all legislated requirements as per both National, Provincial and District Plans, not forgetting to align with Sector Departments as well.

MR MAXWELL SIHLE MBILI
MUNICIPAL MANAGER



Vision

By 2036 Ray Nkonyeni will be a prime tourist- friendly- economically diversified, and smart municipality with equitable access to opportunities and services in a safe and healthy environment

Mission

The pality is committed to create an enabling environment for the establishment of agriculture; maritime; leading tourism and industrial hub to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholder

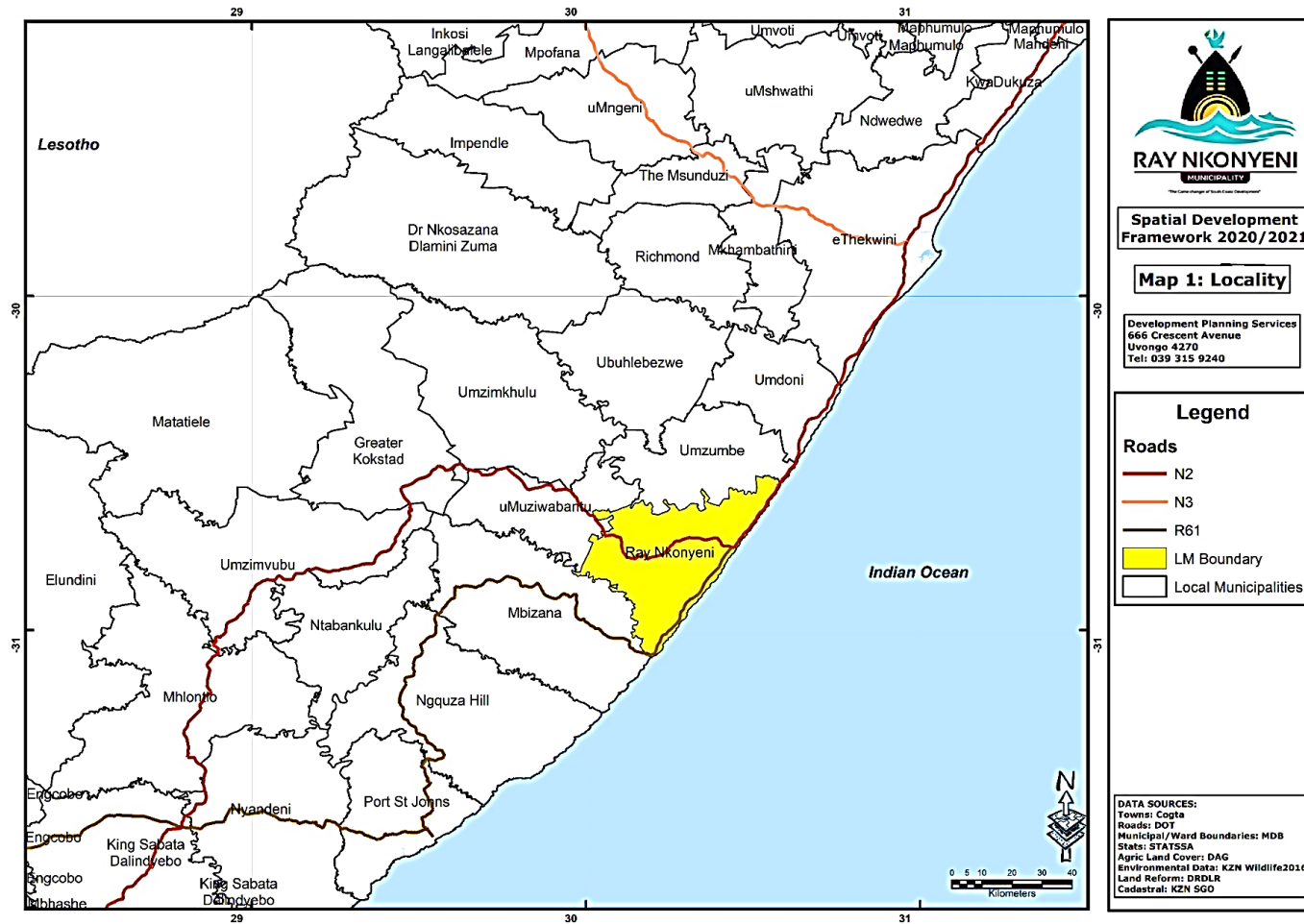


SECTION A: EXECUTIVE SUMMARY

Ray Nkonyeni Municipality is a category B municipality and falls within Ugu District (DC21) found on the southern part of KwaZulu-Natal (KZN), with its administrative seat in Port Shepstone. The municipality borders the Indian Ocean on its eastern part while the far southern part of the municipality runs Umtamvuna River which is the boundary between KwaZulu Natal (KZN) and the Eastern Cape. The north-western part is bordered by Umuziwabantu Municipality while Umzumbe municipality borders the northern part. Its boundary extends further to the hinterland which is basically rural and these areas are administered under traditional authority. The coastal belt stretches from Hibberden to Port Edward and covers approximately 72 km.

The municipal area covers approximately 1594km² in geographic area. Privately owned land constitutes approximately 26 500 hectares. The spatial location of the municipality is an advantage as the National Road (N2) runs through it providing accessibility and linkage with both Ethekwini metropolitan area and beyond as well as the Eastern Cape. The distance from the City of Durban (Ethekwini Municipality head office) to Port Shepstone (RNM head office) is 120km. It must be noted that Durban is the main commercial center of KZN and one of the seven metropolitan cities of the Republic of South Africa. Our municipality's close proximity to this sole metropolitan city of the province is a locational advantage.

The coastal belt is characterised by urban formal development and is more developed while the interior has sparsely populated housing typologies with less development. The hinterland is further characterized by steep topography which is one reason probably of less development and this has further affected the settlement patterns. It must be noted that in many parts of the country, there is very little or no development on steep topography as it is quite costly, so Ray Nkonyeni is no exception. The furthest northern part of the municipality is largely characterized by protected and conservation worthy areas. There are no economic nodes in the hinterland except for one small town, Izingolweni, with a few retail shops. Also in the hinterland is the breathtaking Oribi Gorge which serves. The gorge also serves as a tourist attraction as well as home to a number of rare species and indigenous forests. On the contrary, the coastal belt is completely dotted by economic nodes of different hierarchies. There are also conservation areas dotted along the coastal belt.



Map 1: Locality, Source: GIS 2020, Source GIS Unit 2020



1.1 Settlements

The main urban centres are found along the coastal belt. The inland region of the municipality as indicated earlier on has more land under the leadership of tribal authorities. Following is a table indicating towns and traditional settlements of the municipality.

Table 1: Town Centres

Town Centers	Total Population
Hibberdene	4464
Port Shepstone	36662
Shelly Beach	2577
Uvongo	4288
Margate	26785
Ramsgate	1080
South Broom	1615
Port Edward	4409
Ezinqoleni	TBC

1.1.1 Wards within the Municipality

There are thirty six (36) in total and nine (9) Traditional Authoritative areas within Ray Nkonyeni Municipality. Wards are clustered into seven. The municipality boasts of both urban as well as traditional authoritative wards. Some wards are predominantly urban, while some are predominantly rural and some have a portion that cover both urban and, ie ward 1. This ward stretches from the coastal belt, which is urban into the hinterland, which is predominantly rural. Below are wards within the municipality.

1.1.1 (i) Traditional wards

Table 2: Traditional wards

Traditional Settlements	Wards within the Traditional area
KwaXolo	<ul style="list-style-type: none"> • Portion of ward 7 • Ward 8 • Portion of ward 9 & • Ward 32



KwaNzimakwe	<ul style="list-style-type: none"> • Portion of ward 1 • Ward 10 • Portion of ward 11
KwaNdwalane	<ul style="list-style-type: none"> • Portion of ward 20 • Ward 21 • Ward 22 • Ward 23 • Ward 24
KwaMadlala	<ul style="list-style-type: none"> • Ward 13 • Portion of ward 14 • Ward 15
KwaMavundla	<ul style="list-style-type: none"> • Ward 05 • Ward 25 • Ward 26 • Ward 27 • Ward 28
Oshabeni	<ul style="list-style-type: none"> • Ward 4 • Portion of ward 14
Kwa Nyuswa	<ul style="list-style-type: none"> • Ward 34 •
KwaMthimude	<ul style="list-style-type: none"> • Ward 35 • Portion of 36
KwaVukuzithathe	<ul style="list-style-type: none"> • Ward 30 • Ward 31 • Ward 33 • Portion of 3

1.1.1 (ii) Urban wards

- Portion of ward 1
- Ward 2
- Ward 6
- Portion of ward 7
- Portion of ward
- Portion of ward 14
- Ward 16
- Ward 17
- Ward 18
- Ward 19
- Ward Portion of ward 20

On the following page is a map indicating all the municipal ward boundaries. It should be noted the wards vary in population size. For an example, rural wards near urban areas have dense population as compared to those in furthest hinterland. This is due to the proximity of towns



where people are either employed or seek job opportunities on daily basis. Those wards around Port Shepstone have very high population densities due to the Industrial activities around that area.

The table below show the wards in their clusters.

Table 3: Ward Clusters

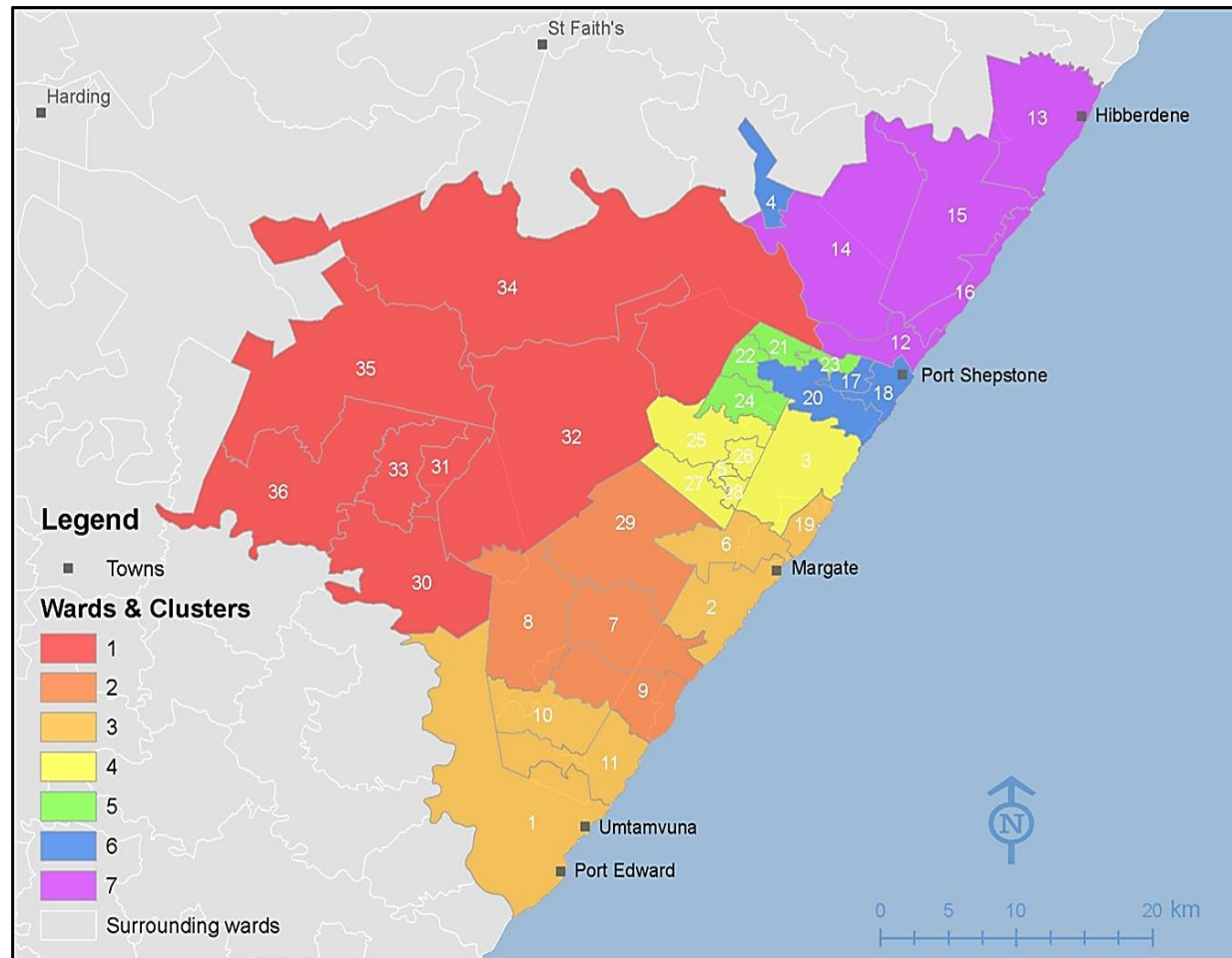
CLUSTER	WARDS
1	30,31,32,33,34,35 & 36
2	7,8,9 & 29
3	1,2,6,10,11&19
4	3,5,25,26,27& 28
5	21,22,23 &24
6	4,17,18,20
7	12,13,14,15,16



Port Shepstone Bridge



Map 2: Traditional Authority



Source: Community Survey 2016



1.2. Settlement Typology

Ugu District as a whole has an urban development bias. Its local municipalities whose boundaries stretch from the coastal belt into the hinterlands, development occurs along the coast and very little in the hinterland.

Ray Nkonyeni Municipality land area is characterized by developed urban coastal strip. Naturally, most of the dense human settlement typologies is along the coastal belt as this is where main economic activities take place and land competition has intensified in these areas which is contrary to urban formal settlement. Settlement typology in the hinterland vary per ward. Those wards that not very far from commercial activities have dense populations while those furthest have sparse settlement typologies which in most instances is due to steep topography. Settlements in rural areas are not yet controlled through land use management scheme (LUMS) and as a result there is a large disorderly settlement pattern.

1.3 Population

Ray Nkonyeni Municipality has a population of approximately 348 553. Below are percentages per age group:

Population 15 to 64 : 61.0%

Population under 15 : 34.4%

Population over 65 : 4.7%

The population within the municipality has been growing rapidly throughout the years due to a number of socio-economic factors. There has been a constant racial pattern as well, with Africans being dominant by a huge margin (82%) and followed by Whites (11%). The African population is distributed throughout the municipal 36 wards. Wards along the coastal belt are densely populated due to economic reasons. Compared to the other three sister local municipalities within the district, RNM has the highest population. Since 1996 to date, there has been a steady increase in the population mainly due to immigration given the better socio-economic opportunities in RNM compared to other place in the district and neighboring northern part of Eastern Cape Province. Although there was overall increases across races, Indians fluctuated.

The highest population category of the municipality is young people between the ages of 14 and 35. The entire district youth population is 434 080, with RNM alone accounting for just over 50% of this figure.

Consistent with the national trend, the municipality has less males than females. This is attributed to socio-economic factors. In as much as RNM has a thriving economy, due to the steady influx of people from other neighboring municipalities and other areas over the years, there has been a steady rise of unemployment. This has resulted in many people migrating to in search of greener pastures. Another contributing factor of why the number of males is lower is the social factor. According to the district's Department of Health, statistical information, many men succumb to diseases early in life compared to women.



1.3.1 Migration

In-migration and internal migration are the highest types of migration within RNM and therefore, when planning takes place, this must also be taken into consideration. Trends and patterns of migration have changed over the years and it is therefore imperative to discuss the different types of migration the municipality has experienced over the years.

In-Migrants (The number of people entering a geographical area)

Out-Migrants (The number of people leaving a geographical area)

Internal Migration (Country to City/town)

International Migration (Voluntary Migration, and involuntary migration)

Mobility (Temporary migrants as they do not have permanent residence).

Due to the economic activities within the municipality, more in-migration as well as more internal migration has been experienced as compared to the other Ugu sister municipalities.


In migrants come from neighbouring municipalities and the neighbouring Province, which is the Eastern Cape. In this regard, it is imperative that in the planning of the municipality, the influx of people must be considered. Internal migration is common as well. These are the people originally from within the municipality, who reside in rural areas and move to urban areas in search of job opportunities. The municipality has also experienced international migrants as well as mobility migration. In the case of international migrants within the municipality, it is basically those migrants who provide different types of services and everyone benefits. The municipality is in possession of all the different types of migrations within its jurisdiction, obtained from StatsSA.

1.4 Economic Development

Ray Nkonyeni is the ultimate economy booster of the entire district due to its location. Commercial agriculture and other numerous companies successfully export products to some of the exclusive areas around the country. The improvement of its infrastructure, education, health and recreational facilities contribute immensely to its appeal. Ray Nkonyeni is the most developed municipality as compared to the other three local municipalities within the District and thus functioning as a regional center. It is also the most densely populated municipality. The Provincial Growth and Development Strategy and the National Spatial Development Frameworks show that one of the primary development corridors has extended from Durban into Ugu District, RNM specifically. The corridor recognizes existing economic activities and aims to enhance them. Further, it should be noted that most business activities take place along the coastal belt.

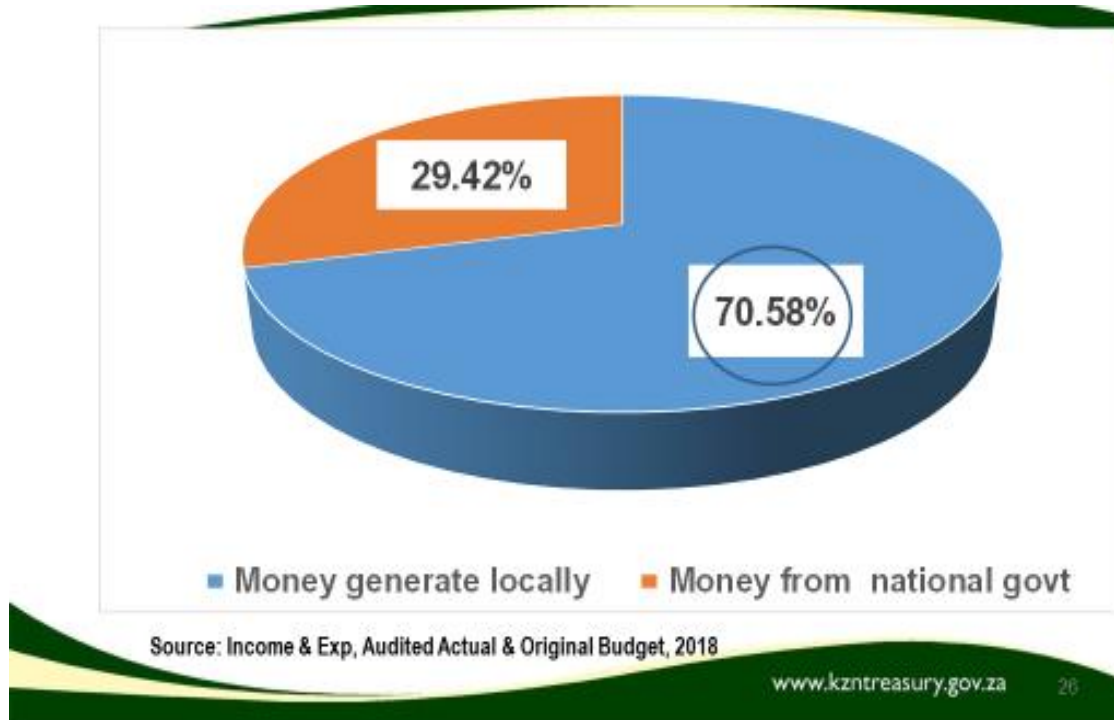
The main features of the local economy are:

- Finance and Business Services 21.5%
- Transport and communications 8.9%
- General Government Services 13.3%
- Whole sale and retail 18.7%
- Tourism
- Mining
- Agriculture and forestry 8.9%
- Some limited manufacturing 12.5.%



The municipality generates 70.58% from its various economic streams while National Government gives out 29%. This is a good indication that Ray Nkonyeni Municipality is performing very well with regards to economic development. Refer to the graph below for this information.

Graph 1: Ray Nkonyeni's revenue from July 2019-June 2020



To grow the economy and broaden ownership, there is some concerted effort support of Small, Medium, Micro Enterprises (SMME's) and have recently supported establishment of their association. Through its Extended Public Works Programme (EPWP), the municipality provides gap job opportunities to many unskilled especially young people and this is implemented mainly through its infrastructure development and services programme. The Previously Disadvantaged Individuals, the youth and disabled members of the municipality are given first preference in job opportunities as a way of redress and equity. The EPWP has projects has been focusing on street cleaning, verge cutting and refuse removal.

1.5 Opportunities and Development Strengths

Ray Nkonyeni Municipality provides an attractive destination with wide range of amenities facilities of good quality as well as public infrastructure making it attractive and conducive for its residents and tourists alike. However, like many areas in the country, the municipality is faced with a challenge of two-worlds in one community divided along rural/urban split. The urban part is where most good quality amenities, facilities, infrastructure and services is enjoyed with the rural portion still having at least facilities and infrastructure and only to a limited extent. As a result, yearly, the municipality strives to innovatively find a balance between keeping the existing urban infrastructure, facilities, amenities and services being of good quality and also expanding such to rural side. Great efforts are being made to reduce backlogs by prioritizing basic needs to improve the quality of life of the citizens as per the principles set out in the NDP.



Ray Nkonyeni Municipality's success lies in its current table economic activities. Further economic opportunities and development can be explored through for example, economic development corridors, Izotsha economic corridor is one such example. There is potential for eco-tourism in both rural and urban areas due to the natural assets and beautiful scenery. For instance, there is the Red Desert in Port Edward, Petrified Forest in Trafalgar, the ancient rock art at KwaXolo area which is an indication that this area was once inhabited by the Khoi-Sans, Impenjathi Resort, as well the rocks at Shelly Beach which are said to be from the volcanic eruption, brought to the beach from Antarctica. The Oribi Gorge on the North Eastern part of the municipality is another tourist attraction and serves as an eco-tourism corridor. Tourism is expanding on a large scale in the lower Oribi Flats area, specifically from D251 and this is here the only 5 star hotel in the region is located.

On mainstream economy, there is a growing potential for the growth of the economy judging by recent performance of Margate Airport which was reopened in November 2013. According to the airline operator, over the last years almost 5000 passengers have used the airline flying between OR Tambo International Airport in Johannesburg and Margate. While this was initiated as a one return flight scheduled for selected dates per week, this has grown tremendously. It started as one flight about three times a week to now having at least a flight daily. The redevelopment of the airport and related infrastructure therefore will give the area breath of fresh air.

1.5.1 Tourism



Margate Beach



Oribi Gorge

Ray Nkonyeni Municipality is a strong tourist attraction place, boasting of well-developed products. Added to that is the climate which is humid and subtropical all year-round, thus a leading tourist destination in KZN. Margate and Port Shepstone are two main centres with public infrastructure, beautiful coastline with blue flag beaches and tourism, the latter mainly playing administrative role while the former is more of tourism attraction point with most tourism products developed in and around this town.

Margate is the main holiday resort throughout the year. The town is also the economic center for the strip of coastline almost completely made up of accommodation, holiday homes and tourist-related establishments. The regional airport is also located in Margate. The coastline of the municipality is also dotted with small towns, many of which serve as seasonal recreational hubs, such as Hibberdene, Shelly Beach, Uvongo, Ramsgate, Southbroom and Port Edward. These towns feature a wide range of tourist-oriented businesses, including restaurants, bars, clubs, movie houses, golf courses, clothing shops, museums and hotels, lodges and Bed and Breakfast.



Further inland of the municipality, an agri-tourism corridor has been identified and further investigated to include the entire P262 as it traverses the landscape. It is believed that this extended tourism corridor is vital for development in the northern portions of the municipality.

The municipality boasts of beaches with international standards accreditation called the blue flag beaches managed in South Africa by WESSA. This international recognition uses stringent criteria focusing on critical aspects such as excellence in terms of safety, amenities, cleanliness and environmental standards. The following beaches have been identified with Blue Flag Status along the Hibiscus Coastline:

- Hibberdene Beach
- Lucien Beach
- Marina Beach
- Southport Beach
- Trafalgar Beach
- Umzumbe Beach
- Ramsgate Beach

1.5.2 Agriculture

The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. . More commercial farming is along the coastal belt, however, in some areas in the hinterland, it can be found as well. Little subsistence farming activities take place in the hinterland. Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow for consumption. There is a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience.

The status quo depicts that much land in the interior is dedicated to sugar cane production within the service area of the Umzimkhulu Sugar Mill. The two mills that service the Municipality are Umzimkhulu Mill near Port Shepstone, and Sezela Mill situated next to the coast between Pennington and Bazely Beach.

The Umzimkulu Sugar Mill receives deliveries and processes cane from a large area. Due to the closeness to the sea, and commercialization and urbanisation of the coastal belt, the growing area is now mainly inland from the mill, stretching as far as Harding and with some areas in the former Transkei (cane deliveries have dramatically reduced from this region). Cane deliveries now occur mostly from areas situated more or less within a 30-35 km radius from the Mill.

It must be noted that Ugu District's:

- Commercial Agriculture in the District produces 1/5 of all banana consumed in S.A.
- Export is growing on tea tree to Australia and Macadamia to other countries
- Employment is decreasing in the sector



1.5.3 Manufacturing and retail

Manufacturing and retail sectors are main industry of employment within the municipality. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area it is important to note that a third of the manufacturing businesses also relate to Margate suggesting that this area should receive some prominence in terms of future industrial sector planning. The formal manufacturing sector is limited to the coastal strip and primarily the Marburg and Margate areas. It is not envisaged that the formal large scale manufacturing sector will expand into the rural areas (although development at Izotsha would provide easier access to job opportunities to the rural workforce).

The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

- Whole sale and retail 18.7 %
- Finance and Business Services 21.5%
- Manufacturing 12,3%
- General Government Services 13.3%
- Agriculture and Forestry 8.9%
- Transport and communication 8,9%
- Mining TBC
- TourismCCTBC

1.5.4 Mining

Mining and quarrying is the lowest industry. There is the Margate Quarry Industry which is located close to the NPC Quarry near Margate town. There is also the National Portland and Idwala Carbonates (KULU) which is located on the Eastern side of the N2 as you pass Marburg up North.

1.6 Urbanization, Development and Upgrades

Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is line with the Ugu District Growth Strategy.

The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed. According to the 2018 State of the Nation Address, the president emphasized the need to partner with private companies to create job opportunities. Ray Nkonyeni Municipality is in line with this as a number of agrreements have been made between the private sector and the municipality.

1.7 Investment Opportunities (Catalytic Projects)

To achieve its long term vision, the municipality is aligned to the National Development Plan 2030 and Local Government policy outcome 9 which states that there should be locally driven public employment programmes. The municipality has catalytic projects which have potential to significantly alter the unemployment challenge faced by the area and grow the economy of the municipality.



These are projects seen as having potential irrespective of powers and functions and affordability of Council and only use need and desirability/impact as the criteria. Furthermore, these projects are defined by their ability of to have high impact in the economy in terms of the Gross Domestic Product (GDP) of the municipality and will have ability to create permanent and sustainable jobs. Listed below are projects that are regarded as catalytic projects, being and are in different stages of implementation.

Table 4: Catalytic Projects

NAME OF PROJECT	INITIATOR	PROJECT LOCATION AND TYPE	STATUS
Izotsha Crematorium	RNM	Izotsha Cemetery	Plans approved, project ready to be started, but since the country is on level 4, it cant be starte. A funding of R10 M has been given by the Department of Human Settlements
Justice Park in Port Shepstone	RNM	Port Shepstone. It is an essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs.	RNM made land available for the project and the Department of Public Works is currently packaging the entire project which is to complete in due course. Total project value is estimated at R360m. The project is at its final stages of completion
Intermodal Public Transport Facility	RNM/KZN DoT	Port Shepstone. To be developed at the current Port Shepstone taxi rank. This project will be a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall	-Development Entitlement Agreement has been signed -Notorial Lease has been signed -Addendum to notorial lease has been signed -Leasing 82% commitment -Funding pre board approval- 29June 2018
Small Craft Harbour	RNM/DAC	Hibberden	Conceptualization stage
Margate Beach front redevelopment	RNM	Margate Beach.	It is underway and funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M
Tourism and Ecotourism development	SCDA	Ugu District	Tourism Development Strategy for Ugu South Coast Tourism Region completed recently introduces a sector specific vision and the associated long-term goals. The projected budget value is R158.5m per annum.



Marine Drive corridor and craft market:		Port Shepstone to Margate. Village tourism should not be developed as a separate route, but an integral part of the products available to the tourist visiting the area	<p>Currently active. The municipality has identified as a set of activities such as arts and craft market taking place in some areas and have package them into a unique product that appeals to the tourists, particularly international tourists.</p> <p>These are showcased in arts and crafts markets as well as flea markets. Marine Drive corridor is where this potential growth is taking place. A range of businesses are found along this drive, starting at Port Shepstone to Ramsgate. it is a stretch that is approximately 20km.</p>
Parking block in Dick King's Parking	RNM	<p>Port Shepstone. The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership.</p>	<p>Conceptualizing Phase</p> <p>R 100,000,000</p>
Municipal Office Precinct	RNM	Port Shepstone	A Council Resolution has been obtained and currently finalizing



			the Municipal Financial Management Act/Supply Chain Management issues
Rural Tourism	RNM/SCDA/Co GTA RNM/TSC	Kwaxolo Nyandezulu	Phase one has been completed and the SCDA has taken over the project Conceptualizing stage (Spatial Planning)
LOT 19 &20 Light Industrial Development	RNM	Marburg	Lay out has been completed as well as the zoning, however, layout and marketing still needs to be done and infrastructure funding application has been lodged with DTI
Marburg Industrial Park	RNM/SCDA	Marburg. This project has been delegated to the South Coast Development Agency.	Platform and design have been built and completed.
Formalization of Ezinqoleni Town	KZN Cogta	Ezinqoleni	Permission has to be sought from Amakhosi to undertake public consultations.Cogta is starting with subdivision and initiating controls.
Light house sub-precinct (New pier Restaurants and picnics facilities Upgrade the feeder road to the sub precinct Upgrade the lighthouse Outdoor gym)	RNM/Transnet/ Private Sector	Port Shepstone.	Conceptualizing stage
Port Shepstone Beach redevelopment. (Proposed hotel Active edge Improved access to the beach Periodic markets Water world facility)	RNM/Public Works/Private Sector	Port Shepstone	Conceptualizing stage
UNISA	RNM	1260 Uvongo. Ray Nkonyeni Municipality initiated the development of the university within its jurisdiction.	An MOU has been signed between the municipality and UNISA. RNM made land available for the project and the swod turning will take place on 2 May 2019.
Industrial Parks	RNM	Land is yet to be identified by the Municipality. The rationale behind this project is to stimulate	The Independent Development Committee (IDC) has shown interest in the projects and has given a nod in terms of funding.Currently, the Municipality



		economic growth as job opportunities are made available.	is still at negotiations with the Committee
Munster Cente Proposed upgrades (Phase 1-4)	Private	Munster Spar	Phase 1 commences March- August 2020 Phase 2 Phase 3 Phase 4
Margate Airport	RNM	Margate Industrial Park	The Department of Economic Development, Tourism and Environmental Affairs has given the Municipality a sum of R4 000 000 for the Infrastructure upgrade at Margate Airport terminal building
Injabulo Estate	Private (Cordev Marketing and Development (Pty) Ltd	KwaNositha Traditional Area	<ul style="list-style-type: none"> • Approved zoning for 260 retirement homes under sectional title (However, it must be noted that a proposed amendment • application for 260 GAP Housing units has been submitted to the municipality • Agricultural land has been released by the Department of Agriculture in Pretoria



CATALYTIC PROJECTS Continued....

Name of Project	Initiator	Project discription	Amount	Project Status
PORT SHEPSTONE BEACHFRONT & UMZIMKHULU RIVER COASTAL PARK		<p>Establish linear Ecopark with jogging & cycling trails & promenade linked to Port Shepstone Beachfront</p> <p>Rehabilitate Settler's Park into Botanical Gardens with amphitheatre and canopy walk linking north and south of Bisset street</p> <p>Paving, drainage & lighting</p> <p>Restaurant (80 seats)</p> <p>Hotel</p> <p>The Block & Lighthouse Redevelopment -Pier development, restaurant, picnic & braai area</p> <p>The revitalization and redevelopment of the beach front Promenade</p> <p>Beachfront Waterworld</p>	<p>Establish linear Ecopark with jogging & cycling trails & promenade linked to Port Shepstone Beachfront R115 498 000</p> <p>Rehabilitate Settler's Park into Botanical Gardens with amphitheatre and canopy walk linking north and south of Bisset street R37 446 000</p> <p>Paving, drainage & lighting R20 950 000</p> <p>Restaurant (80 seats) R3 600 000</p> <p>Hotel R96 000 000</p> <p>The Block & Lighthouse Redevelopment -Pier development, restaurant, picnic & braai area R26 700 000</p> <p>The revitalization and redevelopment of the beach front Promenade R15 500 000</p> <p>Beachfront Waterworld R36 570 000TOTAL R352 264</p>	Pre-feasibility
PortShepstone Technology Hub		<p>1.Port Shepstone Technology Hub and Film Studio Support Infrastructure:</p> <p>2.Internal infrastructure leading to any development – roads & electricity (currently film studio & medium sized hotel SLAs)</p>	<p>Internal infrastructure leading to any development – roads & electricity (currently film studio & medium sized hotel SLAs) = R61 000 000</p>	Pre-implementation (awaiting Film & hotel private investors to



		3.Parking for performing arts theatre & open/public area 4.One Stop Shop- Government Services Block	Parking for performing arts theatre & open/public area = R45 500 000 One Stop Shop- Government Services Block = R30 000 000 TOTAL R136 500 000	confirm their funding)
Regional Conference Center		6000 seater capacity venue Boardrooms & restaurant	6000 seater capacity venue = R144 000 000 Boardrooms & restaurant = R36 000 000 TOTAL R180 000 000	Pre-feasibility
Port Shepstone modern offices and residential complex		Modern Offices & Residential Complex at current Port Shepstone Country Club Modern Offices development Residential development Lifestyle support development – gymnasium, restaurants, convenience shops, etc Umzimkhulu river bridge as alternative entrance Road upgrades – Connor, Ryenold & Bazley Streets Aesthetic street lighting Lanscapping	Office development = R504 000 000 Parking areas = R4 500 000 Residential development = R288 000 000 Umzimkhulu river bridge = R44 000 000 Road upgrades – Connor, Ryenold & Bazley Streets = R24 000 000 Aesthetic street lighting = R2 400 000 Lanscapping R800 000 TOTAL R867 700 000	Pre-feasibility
Hibberdene, Port Shepstone&Port Edward Harbors(Operation Phakisa)		Hibberdene, Port Shepstone & Port Edward Harbours (Operation Phakisa): Pier Wharf Jetty Entrance channel Turning Basin Related industrial & entertainment facilities (boat repair centre, restaurant, etc)	Pier = R75 000 000 Wharf = R225 000 000 Jetty = R18 000 000 Entrance channel = R76 000 000 Turning Basin = R574 920 000 Related industrial & entertainment facilities (boat repair centre, restaurant, etc) = R72 000 000 R1 041 420 000 (PER HARBOUR	Feasibility
Margate Beach to St Michaels Beach Promenade		Paving Aesthetic lighting Lanscapping	Margate Beach to St Michaels Beach Promenade: Paving Aesthetic lighting	



		Parking Areas Upgrade adjacent roads	Landscaping Parking Areas Upgrade adjacent roads		
			Promenade Paving = R60 000 000 Aesthetic lighting R10 400 000 Landscaping R3 400 000 Parking Areas = R2 600 000 Upgrade adjacent roads = 15 000 000 TOTAL R91 400 000		
Dezzi Raceway	Dezzi group	The Dezzi Raceway provides racing fans with all the amenities to make their day at the races unforgettable. These include two sets of open pits, one lock-up pit, an aeroplane hangar, viewing decks and banks, marshalling towers, hospitality zones, a timing office, briefing room, showers and toilets and a large entertainment area (currently under construction	To be discussed		



Intergovernmental Project Line continued

Table 5: Infrastructure Projects

Priority	Project Description	SECTOR	Total
Ward 18 Port Shepstone	Electricity Infrastructure		TBC
Ward 18 Port Shepstone	Infrastructure upgrade	Energy	R 42,000,000
Ward 17&18 Marburg and Port Shepstone	Marburg Port Shepstone interconnector	Energy	R 16,000,000
Ward 6 Margate	Oatlands landfill site expansion	Waste	R 45,000,000
Ward 17 Marburg	Old Harding upgrade	Transportation	R 36,066,000
Ward 18 Port Shepstone	Port Shepstone Office Block	Government Administration	R 504,000,000
TOTAL			

1.8 Infrastructure

i. Roads and rail infrastructure

Ray Nkonyeni Municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.

The municipality is not responsible for the local integrated transport plan, but the Department of Transport is. The Department is responsible for building new roads and maintain both the National and Provincial roads, hence the municipality does not have the LITP.

The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is that, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure all roads are in safe driving conditions are underway. The railway infrastructure linking RNM to Umdoni is non-functional. Also the Banana express rail linking the southern part along the coastal belt to Ezingoleni town is dysfunctional considering that this used to be a big tourist attraction more especially over the festive season, but proved very expensive to maintain.



ii. Telecommunications infrastructure

MEC Comments raised in the 2020/21 IDP	Municipality's response
The municipality was encourage to reflect on progress of the IT implementation in the next reviewed IDP	Currently the municipality does not have funds to implement the project

There is quite good telecommunication network coverage although more still needs to be done to reach world standards. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the majority of people rely on cellular phones. Some key issues faced by the Municipality access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs.

I. Provision for IEC needs

There are community facilities readily available for usage. These include Community halls and MPCCs. It must be noted that each ward within the municipality boasts of its community hall, these structures will also be used for the IEC needs.

iii. Bulk water infrastructure

The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several of treatment plants owned by Ugu before being distributed. Ugu Ugu District Water Services Development Plan (WSDP) indicated that the rivers within the District Municipality have sufficient surplus flow to cater for the water demands for the foreseeable future. However some of the infrastructure needs to be upgraded to cater for the demand. The aging infrastructure and rising demands have resulted in Ugu District Municipality embarking on the Non-Revenue Water management programme to reduce water losses and new water project to meet the demand. The Umzimkhulu augmentation and South Coast bulk pipeline are now at implementation stage with other programmes provided for in the next year's indigents.

iv. Bulk sewer infrastructure

The provision of sanitation services is also the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip.

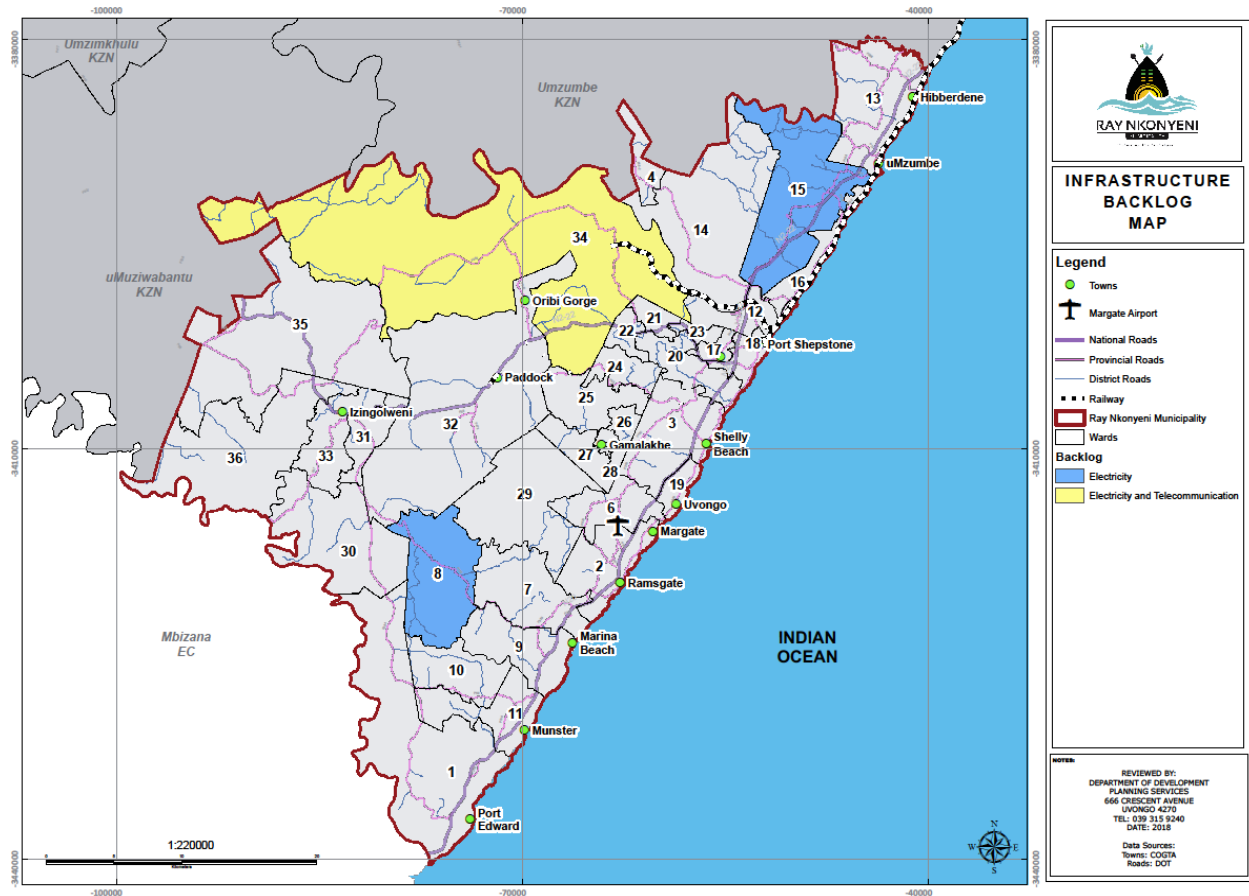
v. Bulk Electricity Infrastructure

It is no surprise that the bulk electricity infrastructure is concentrated in areas that have the highest population densities which is mainly along the coastal strip as well as Murchison, Ezingolweni and Oribi George. There are also a number of HV and MV cables that originate from

these substations which distribute electricity within different parts of the municipal area. This is further supported by the MV stations. The electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area

Below is a map showing areas with infrastructure backlog.

Map 3: Infrastructure Backlog



Source: RNM GIS 2018



1.9 Municipal Governance

Council consists of seventy one (71) Councillors and is led by Her Worship, Madam Mayor, Cllr NCP Mqwebu and Cllr D.H Njoko as the Speaker and Cllr Selvan Chetty PR (Chief Whip)

In addition, there is a Deputy Mayor, Chief Whip, MPAC chairperson and further 08 Executive Committee members as shown below:



1.10 Municipal Administration

The municipality's administration is headed by the municipal manager, Mr SM Mbili assisted by seven Heads of Departments who administer the seven departments. Currently there is a vacancy in the Treasury Department. The municipality comprises of seven portfolio committees providing oversight for each of the seven departments. The table on the next page lists the departments and their portfolio committees as well as their respective Heads of Departments.

Administration Governance

Municipal Manager	Key Functions
 <p>SM Mbilli</p>	<p>The Municipal Manager is the Accounting Officer of the Municipality and is responsible for ensuring that the administration is run effectively from top down. And as such ensures good governance within the institution through the assistance of the internal audit and risk management units and compliance with all legal requirements through legal services section.</p>
Heads of Departments	Key Functions
 <p>Corporate Services: N Thabatha</p>	<p>Provides leadership and guidance on human resource management, skills development, labour relations, IT, estates management, employee wellness initiatives, meetings administration and legal advisory services.</p>
 <p>Community Services: BM Ndwane</p>	<p>Provides leadership and guidance with regards to education and waste minimization, cleansing and waste management, aquatic safety and arts and culture.</p>
 <p>Public Safety: SA Nzimande</p>	<p>Provides leadership and guidance to the Department for the achievement of Organisational goals and IDP objectives which enhance service delivery achievements and better services delivered to community.</p>
 <p>Human Settlements & Infrastructure: R Dlamini</p>	<p>Provide leadership and strategic direction in regards to housing, roads & storm water, electricity, public works, facilities management, institutional & social development and project management administration. Provide guidance to the council, executive committee and local community with regards to provision of basic infrastructural services. Ensure compliance with all legislative requirements.</p>
 <p>Economic Development, Tourism & Planning: SC Zama</p>	<p>To provide leadership and guidance with regards to Economic Development and Development planning. Provide leadership and guidance on Spatial and environmental management through town planning, building control, environmental management and signage control.</p>
 <p>Strategic Planning & Governance: KJ Zulu</p>	<p>Provide leadership and guidance on mayoralty, communications, brand management, marketing, events, public participation, youth development, vulnerable groups' development and empowerment, occupational health and safety of the workplace environment, integrated development planning and organisational performance management.</p>
	<p>Provides leadership and guidance in overseeing all Treasury activities, ensuring compliance with all acts and legal prescripts required for accurate reporting to all stakeholders.</p>

1.12.1 Line Managers

Within the seven Departments of the municipality are forty four (44) line managers. Managers report directly to their respective Heads of Department except for the Manager Internal Audit and Manager in the office of the MM who report to the municipal manager. The organogram was approved by Council in 2017



Below is a table of Line one Managers

Table 6 : Line Managers

DEPARTMENT	MANAGER DESIGNATION	TOTAL
i.Office of the Municipal Manager	<ul style="list-style-type: none"> • Manager Internal Audit • Manager in the Municipal Office 	2
1.Corporate Services	<ul style="list-style-type: none"> • Manager Human Resources • Manager Legal and Compliance • Manager Estates and Administration • Manager Fleet Management • Manager Administration management • Manager Information Technology • Manager Labour Relations and Wellness 	7
2.Development Planning Services	<ul style="list-style-type: none"> • Senior Manager Building Control • Manager Town Planning • Manager Environmental Management and Signage Control • Manager Aviationj Services • Manager Local Economic Development and TOURISM 	5
3. Public Safety	<ul style="list-style-type: none"> • Superintendents Law Enforcements x3 • Manager Fire, Rescue and Disaster • Manager Motor Licensing and Bureau 	5
4.Community Services	<ul style="list-style-type: none"> • Manager Cleansing and Waste Management X2 • Manager Education and Waste Minimization • Manager Arts and Culture • Manager Aquatic Safety 	5
5.Strategic Planning and Governance	<ul style="list-style-type: none"> • Manager Mayoralty and Communications • Manager Performing, Monitoring and Evaluating • Manager Youth Development • Manager Stake Holder Relations and Customer Care • Manager Special Programmes 	7



	<ul style="list-style-type: none"> • Senior Manager Strategic Planning • Manager Speaker's Office 	
6.Treasury	<ul style="list-style-type: none"> • Manager Budgeting and Reporting • Manager Supply Chain Management • Manager Revenue Management • Manager Expenditure management • Manager Asset Management 	5
7.Technical Services	<ul style="list-style-type: none"> • Manager Human Settlement • Manager Electrical Engineering • Manager Mechanical Workshop • Manager Project Management • Manager Facilities Management • Manager Roads and Storm Water • Manager Institutional Social Development 	7
TOTAL		44

1.11 Vision and Mission Statement

1.11.1 Vision

By 2036 Ray Nkonyeni will be a prime tourist-friendly- economically diversified, and smart municipality with equitable access to opportunities and services in a safe and healthy environment

1.11.2 Mission

The municipality is committed to create an enabling environment for the establishment of agriculture; maritime; leading tourism and industrial hub to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders presentations.

1.11.3 Long term vision

Ray Nkonyeni has its long term vision (VISION 2036) . The vision aims at ensuring the municipality by 2036 has a sustainable flourishing economy for everyone. The vision further talks to the spatial development of the municipality. Its infrastructure as well as human settlement has been detailed and strategies have been discussed. The vision further talks to water and sanitation. Goals that need to be achieved in this long term vision have been clearly stated.



1.12 Goals and Objectives

Goals set improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the Back to Back Strategy. Ray Nkonyeni Municipality is in line with this programme as well as strategy. The municipality has ensured that goals set are meant to take the municipality's communities to greater heights in terms of sustainable livelihoods. This will be achieved through best service delivery.

Below are the eight goals the municipality has adopted with strategic objectives. These are aligned to the National Growth Development Strategy.

Table 7:Goals, RElevant Strategic Objectives

GOAL	RELEVANT KEY PERFORMANCE AREAS	STRATEGIC OBJECTIVES
1.Eradicating Poverty and Hunger	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly • To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes • To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a Conducive Environment for Inclusive and Diverse Economic Growth and Development	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector • To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community • To promote township and rural development through nodal developments • To promote RNM as a prime tourism and investment destination • To promote local economic development and the support of emerging enterprises and SMMEs • To promote • To promote strategic and transformative release of land to



		foster inclusive economic development
3.Promoting Healthy Lives and Equitable Access To Education and Learning Opportunities	Local Economic Development and Social Development	<ul style="list-style-type: none"> • To create a skilled and capable citizenry, that contributes to the growth of the local economy • To create a learning municipality • To create a healthy citizenry, that is capable of participating in growing local economy • To improve access to social infrastructure
4.Developing a capable, equitable and financially viable institution and ensuring good and sound governance	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	<ul style="list-style-type: none"> • To foster effective and efficient Inter-Governmental Relations (IGR) • To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality
	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> • To improve the organisation's performance through enhanced productivity and achievement of service delivery • To enhance organizational development in line with community needs • To promote a culture of participatory planning and participatory democracy • To have updated organisational policies and modernised information and communication technologies for good governance • To develop an ethical organisation which is fraud, corruption and maladministration free • To promote and uphold principles of transparency, accountability, good governance and legal compliance • To ensure confidence of all stakeholders in municipal financial management



	MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> To ensure sound and effective financial management and compliance with policy and legislative requirements
5.Ensuring Infrastructure Development and Universal Access to Reliable Basic Services	Service Delivery and Infrastructure	<ul style="list-style-type: none"> To improve debt management, debt collection, ensure value for money and implement cost reduction measures To grow and diversify revenue streams and implement revenue enhancement projects To ensure expenditure on long-term capital infrastructure project plans To ensure effective and efficient management and utilisation of council owned properties and assets. To ensure existing infrastructure is maintained and revitalised To address infrastructure backlogs and extend access to basic services To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth To improve the delivery of capital projects through investment in infrastructure development To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting a safe and secure society	Local Economic Development and Social Development	<ul style="list-style-type: none"> To ensure a safe and crime free municipality by reducing crime through law and by-law enforcement. To galvanise and mobilise all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring sustainable development and	Cross Cutting Issues	<ul style="list-style-type: none"> To promote the sustainable utilisation of natural resources and compliance with environmental legislation To promote a healthy and hygienically safe environment



resilient communities		and create an environmentally educated society <ul style="list-style-type: none"> • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating Spatial Integration and Development of Sustainable Human Settlements	Cross Cutting Issues	<ul style="list-style-type: none"> • To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements

1.13 Core Values

The municipality fully adheres to the eleven principles of Batho Pele and over the years displayed good governance to its citizens and has thrived on the following core values:

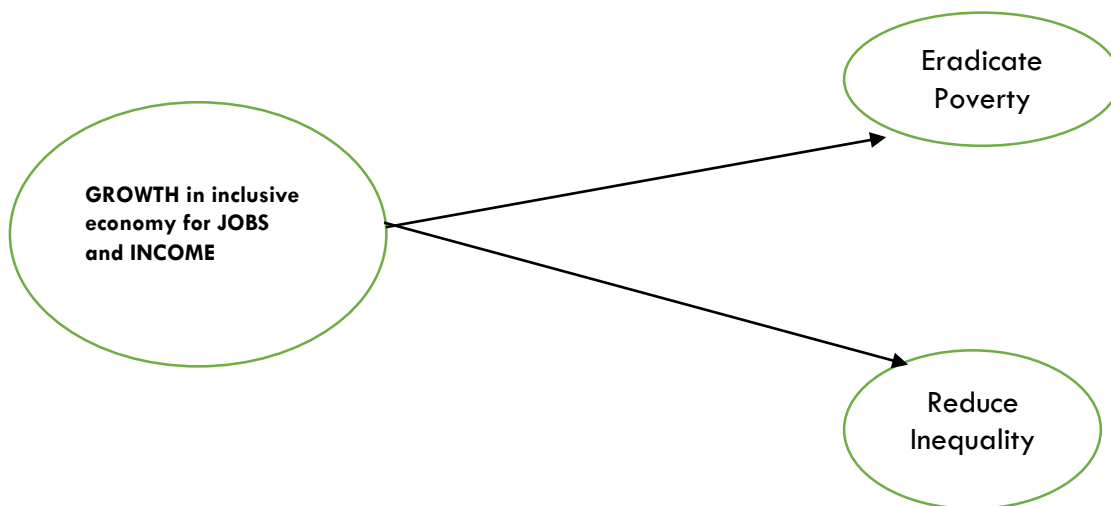
- Accountability
- Transparency and openness
- Responsiveness
- Ethical
- Integrity, honesty and pride
- Excellence
- Efficiency and effectiveness
- Professionalism



1.14 Key Challenges

Poverty and unemployment is very rife at RNM. One of the National Development Plan 2030 outcomes and mechanisms is on eradicating poverty and reducing inequality. This requires increasing growth in a more inclusive economy, which creates jobs and incomes. RNM'S long term vision formulated ensured that it aligns to this outcome to ensure that all its citizens are sustainable in terms of eradicating poverty by having an economy that is growing and job opportunities. This will be carried out by ensuring that its economy is inclusive and all programmes to enhance poverty alleviation are carried out effectively. The municipality is set at reducing its poverty by having inclusive growth which will create jobs and ensure sustainability. Following is a diagram illustrating the NDP 2030 outcomes and mechanism which RNM is fully aligning to it.

Illustration 1:2030 outcomes and mechanism



Some other challenges faced by the municipality are.

- Inequality
- Informal settlements enlarging
- Emerging small commercial farmers with no capital and expertise
- Urban biased development
- Strategic Infrastructure
- Poor Debt payment by residents

These key challenges identified are unpacked in the table on the next page, alongside a relevant KPA. The municipality further shows how it intends to unlock each challenge. However, these challenges will be discussed later in detail in the document under each Key Performance Area on the municipality's intervention in Section 4.



Table 8: Challenges and Interventions

NATIONAL KEY PERFORMANCE AREA	KEY DEVELOPMENT CHALLENGE	STRATEGY TO UNLOCK CHALLENGES
Basic Service Delivery	1.Strategic infrastructure Bulk water Electricity to unlock investment potential Poor maintenance of infrastructure	Using of MIG grants The maintenance of municipality assets Developing business plans, to attract potential funds or investors
Local Economic Development And Social Development	2. Unemployment, poverty and inequality 3. Unsustainable LED projects in the hinterland 4.Lack of monitoring and evaluation for cooperatives 5. Very limited or no municipal land for urban expansion 6. Informal settlements 7.Emerging small commercial farmers with no capital and expertise	Promoting economic development through trainings Monitoring and evaluation of LED projects Attracting investors Establishment of local LED forum
Good Governance and Public Participation	8.Equal representation between the races and all stakeholders within the municipality 9. Poor participation of a makhosi	Conducted through mediums such as Mayoral Izimbizo, Operation Sukuma Sakhe and public meetings Liaise with KZN COGTA-traditional affairs unit to assist
Municipal Financial Viability And Management	10. Poor debt payment	Effective revenue enhancement strategy
Municipal Transformation And Institutional Development	11. Lack of office space	Budget for office space Increase capacity



Cross Cutting	12. Rural schemes and Environmental unresolved issues 13. Urban biased development	Unlocking of land for development Developing policies Establish agreement with Amakhosi/Ingonyama Trust
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1.15 How the IDP was formulated

The following activities have been undertaken to review the current IDP.

- Section 28 of the Municipal Systems Act of 2000 (MSA) stipulates that the Municipal Council must adopt a process to guide the planning, drafting, adoption and review of its IDP. RNM adhered to this Act as its 2020/2021 IDP Process Plan was adopted in August 2019 by Council and submitted to Cogta and this process has informed the current draft IDP
- Invitations via the media for members of the public to register their interest to participate as different interest groups as well as give direction in terms of Institutional Arrangements, Mechanisms and Procedures for Participation and Alignment, IDP Review Action Programme and break down the Roles and Responsibilities were practiced
- The approach adopted in the preparation of the Draft IDP 2020/2021 is strongly guided by the guidelines prepared by KZN COGTA as set out in the IDP guide packs and the IDP simplified format. The IDP is in line with the Department of Co-operative Government and Traditional Affairs Guideline for IDP's 2007 / 2008 and beyond
- The adjustment budget process took place in the month of February 2020 whereby all departments adjusted their individual budgets with the guidance of the Finance Department. The draft IDP and Budget was submitted to Council for approval at the end of March 2020
- MEC comments raised in the IDP for 2019/2020 submitted in June 2019. The Municipality was ranked number seven (8) in the Province for producing one of the best credible IDPs. The comments have been since been fully addressed.
On the next page is a list of the MEC comments per KPA and how they have been addressed. Scores are also reflected on the last column.



Table 9 : 2019/20 MEC comments

KPA	MEC COMMENTS	STATUS CORE	TOTAL SCORE /5
MUNICIPAL TRANSFORMATION	Municipality commended for a job well done in this KPA. <ul style="list-style-type: none"> Still awaiting clarity from Cogta pertaining the Human Resource Plan 	No response as yet	5/5
	There is an increase in the vacancy rate which must be addressed		
	<ul style="list-style-type: none"> To develop and implement a skills retention policy 		
	<ul style="list-style-type: none"> Is the IT COMPUTER HARDWARE & SOFTWARE STANDARDS policy being reviewed 	Yes Anually	
LOCAL ECONOMIC DEVELOPMENT	Municipality commended for having reviewed and adopted the LED Strategy in 2018.		3.5/5
	The municipality is encouraged to build relations with the private sector on economic development mandates	<p>The municipality interfaces with a number of Business Forums and Business Chambers across the municipality:</p> <ul style="list-style-type: none"> Ray Nkonyeni Business Forum; Izingolweni Business Forum; Port Shepstone Business Forum; Margate Business Association; Gamalakhe Business Forum; UGu Association of Business; South Coast Chamber of Commerce & Industry; <p>Also, the municipality has an agreed upon platform (LED Forum), wherein organized business interacts with the municipality on economic development mandates and</p>	



		programmes. Furthermore, the municipality as a secondary city participates in the Growth Coalition Programme, wherein business interacts with government to address bottlenecks on key projects and programmes.	
	Finalize engagement with local mining houses to identify Social Labour Plan Programmes & projects to be implemented.	The municipality has already started the process of engagement. What is key now is to understand SLPs of all mining companies that are operating within the shores of RNM. Once SLPs are properly understood, implementable plans will be jointly formulated and begin with implementation thereafter. The municipality will thus prioritize engagements with NPC, Idwala and Rossmin in so far as SLPs are concerned.	
	Review the LED Strategy and align it with the National LED Framework adopted by National Cabinet in December 2018.	The RNM LED Strategy was adopted in April 2018 whereas the National LED Framework was eventually adopted by Cabinet in December 2018. The RNM LED Strategy took cognizance of the Framework whilst it was still in a draft format, hence no major deviations from the final. However, to ensure conclusive alignment, the LED Unit will as part of its LED 2020/2021 SDBIP include the review of the LED Strategy.	
	Identify, budget and implement programmes that seek to transform local tourism players and the local tourism sector in general.	Within the district, there is the Ugu South Coast Tourism, which is representative of all local municipalities, including the district when it comes to tourism development matters. The Tourism Agency has an approved Tourism Strategy. Within the Tourism Strategy there is tourism transformation programme, whose aim is to transform the industry, focusing mainly on broadening participation and ownership.	
	Identify and implement programmes that seek to improve competitiveness of SMMEs / Cooperatives.	Following the adoption of the revised Procurement Policy, the municipality has focused on enhancing the capacity of SMMEs, particularly focusing on emerging contractors. The municipality has established a database for the purposes of sub-contracting. All municipal projects, valued at R2.5 million and above are subjected to mandatory sub-contracting, which benefits locally-based emerging	



		<p>contractors from Grade 1 to Grade 4.</p> <p>Further, to ensure competitiveness of the local contractors, the municipality entered into a two-year agreement with Master Builders Association, wherein MBA was appointed to incubate, mentor, train and capacitate contractors for a period of two years.</p> <p>Furthermore, the municipality has adopted to implement an annual SMME & Cooperatives Mayoral Fair, which is an annual platform for SMMEs and Cooperatives not only to showcase their products and services to the markets, but which also act as a networking platform with other industry leading specialists, including funding agencies.</p>	
	Identify and table green economy initiatives that can be implemented.	<p>The municipality has finalized the list of strategic properties that it intends to take to the market for investment attraction purposes. It is anticipated that the market (private sector) will take the opportunity to propose key initiatives, including green and renewable initiatives.</p> <p>Furthermore, the municipality will also be proactive in proposing and linking such through SDF.</p>	
	Identify and implement programmes aimed at uplifting the informal economy	<p>The municipality has an approved Informal Trading Plan, whose implementation is aided by the Informal Trading By-Laws and Informal Trading Policy. To ensure the implementation of the Plan, the municipality as part of its annual SDBIP always ensures implementation of programmes and projects that are aimed for informal traders.</p> <p>Further, the municipality works with SEDA and Department of Small Business Development in implementing some programmes for informal traders, programmes such as IMEDP (Informal Micro Enterprises Development Programme), which has seen a number of informal traders benefitting through provision of working tools and micro assets for their businesses.</p>	



		Furthermore, the municipality has facilitated the establishment of the Ray Nkonyeni Informal Traders Chamber as per guidance from the provincial informal economy policy. The Chamber works with the municipality (LED Unit) in implementing programmes and projects that are aimed at informal traders. The municipality through the sittings of the Ray Nkonyeni Informal Traders Chamber also provides a platform for traders to ventilate issues of key interest to them for inclusion in municipal plans.	
	Streamline processes to ensure ease of doing business within the locality	In line with the municipality's Business Retention Plan, the municipality does have red tape reduction projects. Currently, the Red Tape reduction programme is being implemented in the business licensing programme. However, it needs to be noted that Red Tape reduction must be a municipal programme given that almost all departments are affected. For instance, payment of service providers within 30 days is part of the provincial-led Red Tape reduction programme, that Treasury is mandated to ensure its implementation.	
	Align and complement implementation initiatives between the municipality and the two agencies (USCDA & UGu Tourism)	The municipality has Service Level Agreements with both, the UGu South Coast Development Agency and UGu South Coast Tourism. Mainly, the agencies are used a special purpose vehicles for key projects in order to expedite implementation. Through the afore-indicated SLAs, the municipality aligns its plans in order not to compete, but complement the work of the agencies. However, going forward the municipality need to strengthen the relationships with the agencies in order to ensure optimized implementation.	
	Develop M&E Framework to track effectiveness of interventions employed in the Service Delivery & Budget Implementation Plan, IDP and District Growth & Development Strategy.	Currently, through the PME Office, there is effective monitoring and evaluation of interventions that are being implemented within Local Economic Development. However, the municipality needs to set aside budget for programme evaluation. Programme evaluation	



		is critical particularly when it comes to impact evaluation.	
	Properly set aside budget for Research & Development	Currently there is no budget that is set aside for research and development. Lobbying will be done as we approach 2020/2021 financial year to include this segment. Research in particular is critical as development should be guided by evidence-based research. Further, programmes that are being implemented must be evaluated for impact on periodic bases to determine if indeed such programmes are impactful or not.	
BASIC SERVICE DELIVERY			3.1/05
	The municipality is advised to improve on the compliance with the National Land Transport Act 5 of 2009 by developing Local Transport Plan	As a requirement to have the Local Integrated Transport Plan, the municipality is currently engaging with the Department of Transport and sourcing funds to carry out the project. Probably in the 2020/2021 financial year, the municipality will be in a position to roll out the first phase of the project as it requires huge funding.	
	What plans are in place for infrastructure upgrade	Ray Nkonyeni Municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.	
	Comment on Electrification Plan and Backlog	Backlog of 6900 connections in all wards. Estimated cost R 118 626 100.00	
	How far has the municipality advanced with innovations as means of alternative energy source is concerned	Nil	
	Has the former Ezingoleni been addressed in terms of high masts?	YES, though not the entire former Ezingoleni has been supplied. This is due to financial constraints	



	Does the municipality have any plans to open a new land fill site?	No. The existing landfill will be filled in year 2035. The plan for a new site will start in the year 2025	
	The municipality has mentioned in its 2017 IWMP that it has an agreement with a company to operate a recycling facility for 3 years. Indicate as to when this agreement will come to an end	The agreement ended in October 2019. Anticipating to award the new contract in March 2020. Currently the recyclable waste is being given to waste recyclers operating within the municipality	
	In rural areas waste and dumping is not controlled. How is the municipality addressing this.	The municipality is conducting education and Waste campaigns as well as establishing waste management committees in rural areas.	
	The municipality in its IWMP achievements has indicated that it has 2 bag projects. Elaborate on this.	There are areas that are participating in a two bag projects. Those areas are given or supplied with two bags (black bag for general waste and Clear Bag for recyclable waste). The municipality is responsible for collecting waste in those areas. The information on recyclable waste is reported to South African Waste Information Systems	
	There is a backlog in terms of waste collection in rural areas, how is this being addressed?	Although the municipality is currently not uplifting waste in rural areas, there is a section dealing with Education and Waste programs as well as waste minimization initiatives. Some of the initiatives/study includes Route Optimization for waste trucks as well as and waste reduction feasibility study. The outcomes of these studies with determine the best suited solution to problem. The section also participates in exchange program with other municipalities to learn best practices with regards to waste collection in rural areas.	
	The IDP must show in map work the location of all its Human settlement activities	They have been mapped. See Basic Service Delivery KPA	
	Does the municipality have any housing backlog? If yes, how is it going to address it?	TO ADD	
	We have noted that there are projects in construction phase. Add a column to show as to when these will be completed.	It has been addressed. See Human Settlement Sector Plan	
			3.75



FINANCIAL VIABILITY AND MANAGEMENT	Indicate the challenges and remedial actions for unspent funds		
	Indicate the actual number of registered indigent in the attached indigent register		
	Indicate the category of indigent support with projected amounts		
	Display the increase/decrease of indigent support over the last three years		
	The municipality is requested to table a Monitoring mechanism to ensure that the budget allocated for people with disabilities is fully utilized		
	Indicate the actual Operation Expenditure for the full 3 years		
	Indicate the 3 year outstanding debt category and not only for 1 financial year		
	Provide the debtors age analysis		
	Indicate measures to address Supply Chain Management challenges		
	The IDP should indicate cohesiveness to assets whether the primary objectives of service delivery are met		
	Make provision in the SCM Policy for the disabled to qualify for tenders or attach the indicated policy developed to address the issue		
	Attach an Operations and maintenance plan to support the asset renewal plan.		
	Put in place or indicate plans to improve the low budget of the repairs and maintenance of less than 8% norm		
	Indicate the purpose of borrowings/loans indicated in the IDP		
	The grant dependency rate is not clear as there is no calculation or rate of dependency in the IDP.		
	Disclose actual credit ratings as it is indicated that		



	the municipality will have challenges securing more loans due to cash flow		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Municipality commended for the comprehensive coverage and detailed reporting on the KPA		4.45
	.	Reports to be tabled to Council for deliberation and the functionality of the structures also need to be tabled at MuniMEC	
	Operation Sukuma Sakhe	The municipality has been commended for this programme	
	War Rooms	These have been addressed. See Good Governnace KPA how it has been rolled out	
CROSS CUTTING ISSUES			2.5
	The municipality must include and align the initiatives and programmes taking place in the municipality with the strategies and objectives of the SDF and the IDP	Initiatives of the municipality have been aligned with the Strategies and Objectives of the municipality.	
	The municipality to increase the budgetary resource provision so as to ensure effective implementation of the environmental tools	Noted, procedures to be looked into in future.	
	To review annually the Disaster Management Plan as well as SDF to ensure alignment	A service provider was appointed to review the Disaster Management Sector Plan, Disaster Management Framework & Disaster Risk Management Plan. These were used to address the comments in Section 8.9 of the Draft SDF Review e.g. Disaster risk assessment maps, programs, projects and budget have been incorporated.	
	The municipality enhances the quality disaster risk profiling mapping, reflect disaster management and fire and rescue service programme with budget	A service provider was appointed to review the Disaster Management Sector Plan, Disaster Management Framework & Disaster Risk Management Plan. These were used to address the comments in Section 8.9 of the Draft SDF Review e.g. Disaster risk assessment maps, programs, projects and budget have been incorporated.	
	The municipality should ensure compliance with Section 43(3) of the disaster management act 16 of 2015		
	Fire and rescue should be budgeted for		
	SDF lacks an estimated provision of housing across the socio economic groups	A Human Settlement Sector Plan was reviewed by the housing section. Comments have been addressed in Human Settlements	



		<p>section 11.3 of the Draft SDF. This reflects on:</p> <ul style="list-style-type: none"> • A pipeline of current and planned projects. • Land identification (location, ownership, access to community and social services). • Areas prioritized for housing development. • Establishing current housing need and supply. 	
	SDF does not qualify engineering requirements even though the document identified and provide locations for future and existing development needs.	The CEF will address Section 21(h) by Identifying, quantifying and providing locational requirements of engineering infrastructure and services provision for existing and future development needs for the next 5-10 years & longer.	
	SDF contains several non-compliance matters that have not been adequately addressed. It is essential that the SDF aligns to the SDF Guidelines (2017) as issued by the DRDLF.	The SDF was developed using the SDF Guidelines (2017) as issued by the DRDLR, therefore alignment has been ensured and non-compliance matters have been addressed.	

In preparing the IDP, the municipality also took into consideration the Mscoa alignment. The importance of this link is that it:

- Directly links the inputs per IDP objective to the outcomes and impact on service delivery
- Would enable performance management and achievement of objectives
- Will assist in monitoring of progress of projects
- Will ensure proper management of financial resources
- Reporting on projects would be easier (dashboard reporting)
- Promotes the co-ordination between all spheres of government
- Aids in attracting additional funding (clear prioritization of goals and transparency in funding thereby attracting investors in South Africa)



1.16 Organizational Performance Management Framework

The municipality has developed its Service Delivery and Budget Implementation Plan (SDBIP) to fulfill both the requirements of the Municipal Systems Act and the Municipal Finance Management Act. The Framework provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

When reviewing an IDP, the municipality always take into account the performance from the previous year in order to ensure that whatever had not been achieved must be rectified. It must further be noted that when doing quarterly reviews, the municipality reflects back to targets that had not been achieved in the previous quarter whereby reports on progress to date are made which are called Performance Improvement Plans (PIP) **See PIP attachment 23**

1.17 How will Performance Be Measured

The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organizational Performance Management System (OPMS) must entail a framework that sets out how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players.

The municipality will ensure that all section 57 employees sign performance contracts aligned to the municipal IDP and objectives. The municipality will also ensure that employees reporting directly to Heads of Departments have performance plan to enable a focused performance of the municipality.

In line with the said legal requirement, this framework should be seen as a policy document that sets out:

The requirements that RNM's OPMS will need to fulfill;

- The principles that must inform its development and subsequent implementation;
- The preferred performance management model of the municipality;
- The process by which the system will work;
- The delegation of responsibilities for different roles in the process; and
- A plan for the implementation of the system

1.18 How the IDP was formed

1.18.1 Aspects Informing the 2020/2021 Integrated Development Plan

The preparation and review of the IDP is a continuous process providing a framework for development planning activities in the district. The development and preparation of the IDP is to allow for a changed and renewed development outlook to be taken into account particularly new priorities and where development backlog has been closed or narrowed to reflect accordingly. As such, the IDP is not only annually assessed in terms of delivery and the prevailing conditions in the municipality, but also improved upon each and every year. The MEC for Cogta after all municipalities submit their respective IDPS, assesses them and provides feedback. This is then taken into account during an annual review by each municipality.

The following aspects informed the 2020/2021 IDP:

- Responding on the Outcome Delivery Agreement (Outcome: 09) and its seven (7) outputs, as signed by the Minister (COGTA);



- Responding to issues raised during the provincial and own assessments (SWOT);
- Responding to the comments and issues raised by the MEC for COGTA (KZN) on the 2017/2022 IDP;
- Responding to issues identified as part of the Back to Basics;
- Formulating the current Vision, Mission, strategic objective, programmes and projects;
- Alignment of IDP, Budget and PMS activities
- Updating baseline information to ensure sound decision-making in addressing service delivery gaps;
- Strengthening focused community and stakeholder participation in the IDP processes; and
- Aligning Sector Departments' strategic plans to the district-wide priorities and service delivery programmes.

1.18.2 Government Policies Imperatives Informing the 2020/2021 Integrated Development Plan

The 2020/2021 IDP document has also been informed and is aligned to the following strategic documents and National and Provincial strategic objectives:

- Sustainable Development Goals
- National Development Plan 2030
- Back to Basics
- State of the Nation Address 2020
- Provincial Growth and Development Strategy
- District Development Growth Strategy
- Strategic Development
- Alignment Matrix
- SPLUMA Principles
- 14 National Delivery Outcome Agreements **(especially outcome nine (9) in relation to Local government)**
- Provincial Growth Development Strategy: AND
- MTSF

The listed above Government Planning Imperatives are detailed in the next section as they form part of the planning and development principles.

1.19 Swot Analysis

Central to key challenges mentioned earlier on is the realization by the municipality and all stakeholders involved that although these have had negative effects on development within the municipality, a number of opportunities still exist though. Following is a table with summary key strengths, weaknesses, opportunities and threats:



Table 10: SWOT Analysis

SWOT ANALYSIS		
INTERNAL	STRENGTHS	WEAKNESSES
	Municipal insights into rural dynamics and livelihood strategies	Small business catchments due to dispersed settlements in the hinterland
	Upcoming Retail Development to create job opportunities and access to market for agricultural products produced locally	Low disposable incomes
	The N2 which traverses the municipal area provides opportunities for development in the form of passing thresholds	Under-representation of big business in the area
	Local FET(Ezingoleni) College which can be used to enhance skills development for the youth (e.g. film making)	Low skills base
	Labour force readily available across the rural areas	Steep topography making service provision costly
	Oribi Gorge tourism attraction and other natural attractions	Lack of bulk infrastructure e.g. electricity
	Strong IGR - cordial relations between stakeholders	Limited funding to implement LED projects in deep rural
	Abundant wildlife (e.g. warthogs [bush pigs]) that could be harnessed to establish businesses such warthog abattoir & processing	Grant dependency
		Low debt recovery rate
	Abundant natural resources (e.g. catchments & water bodies) that could be utilized for the following: •Sand mining •Brick making •Glass factory • Fish farming	Lack or limited revenue generation
	Abundant under-utilized land	Lack of land for the expansion of Ezingoleni CBD
	Cordial relations between the municipality and South Coast Tourism	Difficulty to attract investors
	Untapped agricultural potential	Brain drain (emigration of skills)
	LED officer post now filled	Lack of IT infrastructure
	Sound financial management as witnessed by the clean audit	Inadequate office space for the municipality
	100% expenditure of Grants in the previous financial year	Municipal officials working in silos
	Effective public participation programme	Limited employment opportunities within the municipal area
	Functional statutory and ad hoc committees	Privately owned land not available for development in some wards
	Skills Development Plan which meets LGSETA standards	Slow delivery rate of "approved" housing projects



	Adopted and implemented municipal policies	Limited community facilities and public social & recreational amenities
	Enhanced institutional capacity to spend grants	Lack of maintenance for the aforementioned facilities
	Almost 100% provision of VIP toilets	Lack of funding to provide all-weather local access roads e.g. tarred & gravel roads
	80% water provision	Lack of monitoring and evaluation for cooperatives
	Provision of free basic services to indigent households	Lack of skills development for cooperatives
	Disaster Management Plan in place & implemented e.g. Fire truck & ambulance on stand-by full time	Unsustainable LED projects
	Enhanced Institutional Capacity:	Lack of support infrastructure for informal businesses
	Decreased new HIV/AIDS infections	Poor workmanship ("project snags") in infrastructure project outputs
	Political tolerance	Lack of Agriculture Sector Plan
	Improved Job Creation through EPWP	
	Readiness of existing trained cooperatives to function efficiently	
EXTERNAL	OPPORTUNITIES	THREATS
	National Government resolves to grow rural economies	Natural disasters e.g. floods, veldfires
	Growing buying power of the African population in general	Hostile legislative framework to business
	Expansion of the social security net for vulnerable groups across the country	Crime and substance abuse
	Resilience of the informal markets, vibrant & complicated rural livelihoods which cannot be measured in traditional economic terms	Volatile economic conditions in the financial markets and the associated unpredictable inflation
	BEE legislation provides an opportunity of using government procurement spend to uplift SMMEs	



SECTION B: PLANNING AND DEVELOPMENT PRINCIPLES & GOVERNMENT POLICIES & IMPERATIVES

Ray Nkonyeni Municipality has taken into consideration in its IDP formulation all the planning and development principles, Government policies as well as imperatives. The municipality has fully aligned to these and adopted strategies to assist achieve goals set.

2.1 Sustainable Development Goals

The Sustainable Development Goals (SDGs), officially known as Transforming Our World: the 2030 Agenda for Sustainable Development is a set of seventeen goals with 169 targets between them. SDGs are replacing the Millennium Development Goals (MDGs). The Millennium Development Goals (MDGs) were the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion-while promoting gender equality, education, and environmental sustainability. They were adopted at the United Nation's Millennium Summit in September 2000 by world leaders, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015. The SDGs are therefore acting as the Post 2015 Development Agenda (successor to the Millennium Development Goals). They are to guide the global action on sustainable development until 2030. The 17 SDGs are listed in the table below with a column showing how the Municipality's IDP is aligned to them.

Table 11: Sustainable Development Goals and alignment

GOAL	Sustainable Development Goal	RNM's RESPONSE
1	No poverty	Develop LED strategies to create jobs and incomes Increase access to women and other valuable groups to economics opportunities Increase participation in War Rooms and Sukuma Sakhe to identify poverty ridden households Develop networks of collaboration with NGOs and other stakeholders
2	Less hunger	Develop food security programs One home, one garden project Increase participation with merging farmers
3	Good health and wellbeing	Increase health awareness campaigns
4	Quality education	Mobile libraries that will provides access to learning to all University registration funding and bursary for scarce skills. Create an enabling environment to attract educational SETA programs and learner ships
5	Gender equality	Formulation of gender forum Create an enable environment for disadvantaged groups Gender forum to include the previously disadvantage LGBT
6	Clean water and sanitation	Populate all new households , so that sanitation facilities can be in place
7	Affordable and clean energy	Create awareness campaigns
8	Decent work and economic growth	Create jobs Unlock land for development Form partnership with the informal sector



		Attract foreign and local investors
9	Industry, innovation and infrastructure	Create an environment for investment Attract potential industries Zoning and unlocking of land for development Create business incentives , in attracting industries
10	Reduce inequalities	Support through the indigent support program SMME support and information sharing days
11	Sustainable cities and communities	Development of the land use management scheme Decrease service back logs
12	Responsible consumption and production	Shorten the supply chain system by employing companies in a close radius Create awareness for sustainable development
13	Climate action	Develop mitigation and adaption strategies Develop disaster awareness and prevention campaigns
14	Life below water	Create sustainable awareness campaigns in regards to rivers and streams, as rubbish thrown in pollutes the water endangering sea species
15	Life on land	Effective solid waste management system Conduct a Spatial Environmental Assessment
16	Peace, justice and strong institutions	Involve stakeholders such as Amakhosi, South African Police and the community in Operation Sukuma Sakhe
17	Partnerships for goals set	Strengthen IGRs

2.2 National Development Plan: 2030

Former President Jacob Zuma appointed the National Planning Commission in May 2010 to draft a vision and national development plan. The Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

- Too few people are employed;
- The quality of school education infrastructure is poor;
- Infrastructure is poorly located, inadequate and under-maintained;
- Spatial divides and hobble inclusive development;
- The economy is unsustainably resource intensive;
- The public health system cannot meet demand or sustain quality;
- Public services are uneven and often of poor quality;
- Corruption levels are high; and,
- South Africa remains a divided society.

South Africans from all walks of life welcomed the diagnostic report as a frank, constructive assessment. Building on the diagnostic, the plan added four thematic areas: rural economy, social protection, regional and world affairs, and community safety. The National Development Plan aims to eliminate poverty and reduce inequality by 2030. The plan comes from the belief that South Africa has the potential and capacity to eliminate poverty and reduce inequality over the next two decades. The municipality fully aligns with the NDP and has ensured that strategies in place do address the key issues raised in the Plan. These will be unpacked in detailed under the LED Analysis in the document.



2.3 Back to Basics

Our National Development Plan makes it clear that meeting our transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialize. The Goal is to improve the functioning of municipalities to better serve communities by getting the basics right, as per the NDP and through the B2B Programme. It is therefore important to understand where we are, where we could be and what needs to be done to improve performance. Back to Basics Programme recognizes that the core services that local government provides is about our Constitution and Bill of Rights. The country's vision of developmental local government was that it would be the building block on which the reconstruction and development of our country and society was built, a place in which the citizens of our country could engage in a meaningful and direct way with the institutions of the state.

The transformation of the local government sector remains a priority for the current administration. The goal of the Back to Basics Programme is to improve the functioning of municipalities to better serve communities by getting the basics right. It aims to achieve the developmental state of local government and ensure that each sphere of government commits itself to address the challenges faced by local government.

The programme recognizes that we need to do things differently if we want different solutions. It argues that we must change our paradigm to focus on serving the people rather than the extractive elites. To be noted is that the programme draws from the National Development Plan.

5 pillars of the Back to Basics approach which are principles for action are depicted below:

Illustration 2: Back to Basics Pillars



Ray Nkonyeni Municipality aims at aligning with the Back to Basics program and pillars by:

- Training and awareness of Ward committee members, about the program
- Holding of public feedback session with Councilors or Mayor , report back to the public
- Training of staff and councilors
- Continuing of sound financial management and strengthen it, within the municipality
- Continuing with the efficient structure of War rooms and Operation Sukuma Sakhe
- Continuing with the roll out of essential government services



2.4 State of the Nation Address

The President of South Africa in his 2020 key note address mentioned a number of key challenges faced by the country and how best as a Government is going to address them. RNM is set to adhere to these not just for compliance but to ensure that service delivery reaches all its communities. Each key point raised by the State President will be analysed in detail under each KPA in the document and how the municipality will address it. To mention but a few of the comments raised by the State President:

- *Have we built a society where the injustices of the past no longer define the lives of the present?*
- *Firstly, we must accelerate inclusive economic growth and create jobs.*
- *Secondly, our history demands that we should improve the education system and develop the skills that we need now and into the future.*
- *Thirdly, we are duty bound to improve the conditions of life for all South Africans, especially the poor*
- *Fourthly, we need to strengthen the capacity of the state to address the needs of the people.*
- *Under education:* The development of skills and capabilities is identified as a key cog in inclusive economic growth
- *Under crime prevention:* Specialised units, consisting of SAPS and NPA, are mandated to combat crimes of economic disruption
- *Under job creation:* It is noted that we are currently confronted by the crisis of youth unemployment
- It is noted that we are currently confronted by the crisis of youth unemployment
- Approximately two thirds of the 1.2 million young people who enter the labour market each year remain excluded from employment, education and/or training
- More than half of young people are unemployed . Approximately two thirds of the 1.2 million young people who enter the labour market each year remain excluded from employment, education and/or training. More than half of young people are unemployed

The above utterances by the President will be unpacked in each KPA in the document and explained how the municipality has addressed each

2.5 PGDS Nodes and Corridors Hierarchy

The Provincial Government has developed its own Growth and Development Strategy which is closely aligned to both the Millennium Development Goals and national development goals. The PGDS is essentially a tool through which the provincial government can address the legacies of the apartheid space economy, promote sustainable development and ensure poverty eradication and employment creation (PSEDS;2007).A number of primary, secondary and existing corridors have been established along the KwaZulu-Natal southern coast, a combination of which merge within Ray Nkonyeni Municipality. The corridors are complimented by a series of nodes identified as Primary, Secondary, Tertiary, Quaternary and 5th level nodes. The KwaZulu-Natal south coast contains a combination of these nodes. A single primary node is located within the Durban CBD, a secondary node is located within RNM at Port Shepstone, four tertiary nodes identified in Ixopo,



Umzinto, Hibberdene and Margate, and seven quaternary nodes scattered throughout the south coast within one falling within the study area at Port Edward.

2.5.1 Recreational Node

In support of tourism development within the municipality and promoting it to be highly celebrated through efficient and sustainable infrastructural development, it is recommended that the Gamalakhe node, particularly the area surrounding the uGu Sports and Leisure Centre at the close vicinity of the intersection of road P200 and St Michaels road be promoted as a recreational node. This node is envisaged to provide multifunctional recreational and network of public open spaces that could provide in all the needs of the local community. This node is currently vacant however this area has the potential location of mixed development such as promotion of network of public open spaces supported by residential, commercial, offices and conference facilities.

2.5.2 Tourism Node

Oribi Flats are situated to the north of the Oribi Gorge, and represents the centre point of an agri-tourism, eco-tourism and adventure areas demarcated on the Spatial Development Framework. Any development within this area that may have adverse effects on the tourism industry needs to be discouraged. The area is situated centrally to the north-eastern parts of the Municipality, and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. As such no large scale development would be encouraged here.

2.5.3 PGDP 2035

The KZN Provincial Executive Council tasked the KZN Provincial Planning Commission to prepare a long term vision and provincial growth and development strategy. This was adopted in 2011 whereby it was resolved that the strategy will be reviewed every 55 years. By 2035, the Province should have maximized its position as a gateway to SA and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment. The rationale behind this strategy was to guide resources allocation, driving implementation in a coordinated and integrated manner, where progress can be measured against predetermined targets and where roles and responsibilities have been confirmed within established lines of accountability.

On the following page is a map showing these corridors and nodes.



KwaSilwane Hall



Map 4: PGDS Nodes, Source GIS Unit 2020



Source: RNM GIS 2018



The 2011 KwaZulu-Natal Provincial Growth and Development Strategy (KZN PGDS) bolsters the Province's commitment to achieving the vision of KwaZulu-Natal (KZN) as a "Prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the world". The PGDS aims to build this gateway by growing the economy for the development and the improvement of the quality of life of all people living in the Province. Below is a table highlighting alignment of PGDS goals and that of RNM IDP interventions.

Table 12: PGDS and RNM alignment

PGDS Strategic Goal	Applicability to RNM
Job Creation	A substantial % of the total population currently lives in poverty.
Human Resource Development	Skills development identified as one of the key interventions
Human and Community Development	Skills development identified as one of the key interventions
Strategic Infrastructure	Provision of infrastructure to unlock investment potential identified
Responses to Climate Change	Environmental management
Governance and Policy	Skills development identified as one of the key interventions
Spatial Equity	More focus of land management issues

2.6 Ugu District Growth and Development Plan

The Ugu Growth and Development Strategy (GDS) commits all stakeholders (public, private and civil society) to achieving a shared vision that by 2030 the Ugu district will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services. This intent is based on a shared understanding of the inter-relationships amongst communities and the challenges facing the district economy as a whole. It is based on a commitment to working collaboratively to achieve the most beneficial outcomes for all.

The vision of the Ugu's GDS is that "By 2030 the District will be a leading tourism destination and manufacturing and agricultural hub where jobs are created and everyone benefits equally from socio-economic opportunities and services". It has six economic drivers which are:

- Strategic infrastructure investment
- Education & skills development
- Institutional development
- Strategic sector engagements
- Environmental Sustainability
- Safety Nets & Civic empowerment
- Ray Nkonyeni aligns itself to the District's vision as it sees itself as the Game changer of South Coast Development.



2.7 Strategic Development Alignment Matrix

Below is a tabular form the document provides summarised analysis of the strategic development alignment matrix. It addresses how the municipality's IDP is aligned to the National Vision 2030 (National Development Plan), the Provincial Growth and Development Plan and District Growth and Development Plan.

Table 13: Strategic development & alignment matrix

NDP PRIORITIES	PDGDP GOALS	UGU DGDP	RNM STRATEGIC GOALS
Job Creation	Job Creation	Sectoral Development and Support	Creating Employment Opportunities
			Establish a conducive environment to attract and grow businesses and cooperatives and ensure creation of jobs for local community
			Grow the economy of RNM by attracting investments and fostering partnerships with private and public sector
Expanding Infrastructure	Strategic Infrastructure	Strategic Infrastructure Development	Improve delivery of capital projects through investment in infrastructure development
Provision of Quality Health Care	Human and Community Development	Safety and Empowerment of Communities	Alleviate Poverty and Promote Socio Economic Development
			Promote and enhance the fight against poverty and ensuring support to child/female/elderly headed households



2.8 Spluma Principles

2.8.1 Preparation of SDF

I. The nation and provincial spheres of government and each municipality must prepare Spatial Development Frameworks that-

- A) Interpret and represent the spatial development vision of the responsible sphere of government and competent authority)
- b) Are informed by a long term spatial development vision statement and plan;
- c) Represent the integration and trade-off of all relevant sector policies and plans
- d) Guide planning and development decisions across all sectors of government;
- e) Guide a provincial department or municipality in taking any decisions or exercising any discretion in terms of this Act or any other law relating to spatial planning and land use management systems;
- f) Contribute to a coherent, planned approach to spatial development in the national, provincial and municipal spheres;
- g) Provide clear and accessible information to the public and private and provide direction for investment purposes;
- h) Include previously disadvantaged areas, areas under traditional leadership, rural areas, informal settlements, slums and landholdings of state-owned enterprises and government agencies and address the inclusion and integration into the spatial, economic, social and environmental objectives of the relevant sphere;
- i) Address historical spatial imbalances in development;
- j) Identify the long term risks of particular spatial patterns of growth and development and the policies and strategies necessary to mitigate those risks;
- k) Provide direction for strategic developments, infrastructure investment, promote efficient, sustainable and planned investments by all sectors and indicate priority areas for investment in land development;
- l) Promote a rational and predictable and development environment to create trust and stimulate investment;
- m) Take cognisance of any environmental management instrument adopted by the relevant environmental management authority;
- N) Give effect to national legislation and policies on mineral resources and sustainable utilization and protection of agricultural resources; and
- o) Consider and, where necessary, incorporate the outcomes of substantial public engagements, including direct participation in the process through public meetings, public exhibition, public debate and discourses in the media and any other forum or mechanisms that promote such direct involvement

II. The national government, a provincial government and the municipality must participate in the spatial planning and land use management processes that impact on each other to ensure that the plans and programmes are coordinated, consistent and in harmony with each other.



III. Spatial Development Framework adopted in terms of this Act must guide and inform the exercise of any discretion or of any decision taken in terms of this Act or any other law relating to land use and development of land by that sphere of government.

IV. The National Spatial Development Framework must contribute to and give spatial expression to national development policy and plans emanating from the various sectors of national government and may include any regional spatial development framework

V.A provincial spatial development framework must contribute to and express provincial development policy as well as integrate and spatially express policies and plans emanating from the various sectors of the provincial and national spheres of government as they apply at the geographic scale of the province

VI. A municipal's SDF must assist in integrating, coordination, aligning and expressing development policies emanating from the various sectors of the spheres of government as they apply within the municipal area

VII.SDFs must outline specific arrangements for prioritizing, mobilizing, sequencing and implementing public and private infrastructural and land developments investment in the priority spatial structuring areas identified in the SDFs

The current SDF of the municipality fully adheres to the SPLUMA.The SPLUMA BYLAWS were adopted by Council in 2016

2.9 The 14 National Outcomes

Outcome 9 talks specifically to Local Government, and below it has been broken down into seven (7) outputs:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving access to basic services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcome

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single window of coordination

Our Municipality is proud to announce that the above seven outputs fully implements through its service delivery targets set out in the SDBIP.

2.10 Provincial Growth Development Plan

The Plan aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation
- Safe and reliable public transport
- Quality education and skills development
- Safety and security
- Quality health care
- Social protection



- Employment
- Recreation and leisure
- Clean environment
- Adequate nutrition

Ray Nkonyeni Municipality has fully responded to the listed PGDP goals and will be analysed in the document per KPA. Through its LED, the municipality is striving to ensure that poverty is eliminated and inequality addressed. This is done through the programmes and projects in place. Clean and safe environment is another milestone the municipality has covered and is working towards attaining quality health care. Ray Nkonyeni was awarded a clean audit in the current financial year.

2.11 Medium Term Strategic Framework (MTSF) 2020-2025

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities of investments. The aim is to ensure policy coherence, alignment and coordination across Government plans as well as alignment with budgeting processes. It further aims at achieving the radical socio-economic agenda and further identifies decent work, education and the capacity of the state as particularly important priorities. Ray Nkonyeni Municipality through its strategies mentioned earlier on in the document, has fully addressed what is highlighted above.

2.12 The Municipal Planning Tribunal

The municipality has established a Municipal Planning Tribunal (MPT/JMPT which processes land use application. The Tribunal does meet the requirements as per SPLUMA Guidelines and it sits once a month. Manager Town Planning chairs the Tribunal. The Executive Council is the Appeal Authority.

2.13 STRATEGIC FRAMEWORK/VISION,GOALS AND OBJECTIVES

2.13.1 Strategic Framework

RNM held its Strategic Planning Session in November 2016 whereby the vision, mission statement as well as Strategic objectives were drafted. The strategic objectives are aimed at helping to provide guidance on how an organization can fulfil or move towards its aimed goals. This chapter there for seeks to address how key problems mentioned in the situational analysis are being addressed using strategies identified during the Strategic Planning and how the IDP has been informed and aligned to the Strategies as well as National and Provincial Strategic objectives ;

- Provincial Growth and Development Strategy
- Municipal Turnaround Strategy
- National Delivery Outcome Agreements(especially outcome 9 in relation to local government and municipalities
- Millennium Development Goals



2.13.2 Organisational Goals, Vision and Mission Statement

The realisation of the municipality's vision and mission requires the setting of goals that need to be achieved. These give further to the vision. It must be noted that the municipality's goals are relevant to those of the Sustainable Development Goals (SDG) and those of the Provincial Growth and Development Strategy Goals (PDGS). In this regard, the municipality has fully aligned with the SDG as well the PGDS. Below are the eight preliminary goals identified by the municipality.

Table 14: Goals & Strategic objectives

GOALS	Strategic Objectives
1.Eradicating poverty and hunger	<ul style="list-style-type: none"> To accelerate the fight against poverty and prioritise support to vulnerable groups such as children, females and the elderly To promote sustainable livelihoods by assisting communities through various government led job creation programmes and social programmes To promote pro-poor economic growth and lessen social and income inequalities
2.Creating a conducive environment for inclusive and diverse economic growth and development	<ul style="list-style-type: none"> To grow the economy of RNM by attracting investments and fostering partnerships with private and public sector To create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community To promote township and rural development through nodal developments To promote RNM as a prime tourism and investment destination To promote local economic development and the support of emerging enterprises and SMMEs To promote strategic and transformative release of land to foster inclusive economic development
3.Promoting healthy lives and equitable access to educational and learning opportunities	<ul style="list-style-type: none"> To create a skilled and capable citizenry, that contributes to the growth of the local economy To create a learning municipality To create a healthy citizenry, that is capable of participating in growing local economy To improve access to social infrastructure
4.Developing a capable, equitable and financially viable institution	<ul style="list-style-type: none"> To foster effective and efficient Inter-Governmental Relations (IGR) To create a skilled and capable municipal workforce, that provides quality services to the citizens of the municipality To improve the organisation's performance through enhanced productivity and achievement of service delivery To enhance organizational development in line with community needs To promote a culture of participatory planning and participatory democracy



	<ul style="list-style-type: none"> • To have updated organizational policies and modernised information and communication technologies for good governance • To develop an ethical organisation which is fraud, corruption and maladministration free • To promote and uphold principles of transparency, accountability, good governance and legal compliance • To ensure confidence of all stakeholders in municipal financial management • To ensure sound and effective financial management and compliance with policy and legislative requirements • To improve debt management, debt collection, ensure value for money and implement cost reduction measures • To grow and diversify revenue streams and implement revenue enhancement projects • To ensure expenditure on long-term capital infrastructure project plans • To ensure effective and efficient management and utilisation of council owned properties and assets.
5.Ensuring universal access to reliable basic services	<ul style="list-style-type: none"> • To ensure existing infrastructure is maintained and revitalised • To address infrastructure backlogs and extend access to basic services • To ensure the delivery of economic infrastructure as part of creating a conducive environment for economic growth • To improve the delivery of capital projects through investment in infrastructure development • To improve access to adequate shelter in the form of sustainable human settlements
6.Promoting peaceful, tolerant, safe and inclusive society	<ul style="list-style-type: none"> • To ensure a safe and crime free municipality by reducing crime through law and by-law enforcement. • To galvanize and mobilize all sectors and role-players to participate in ensuring public safety
7.Combating climate change and ensuring sustainable development and resilient communities	<ul style="list-style-type: none"> • To promote the sustainable utilization of natural resources and compliance with environmental legislation • To promote a healthy and hygienically safe environment and create an environmentally educated society • To promote the green economy • To implement climate change mitigation and adaptation strategies • To strengthen disaster management and mitigate disaster impacts through resilience planning
8.Facilitating spatial integration and development of sustainable and resilient settlement resilient	<ul style="list-style-type: none"> • To support access to land and land tenure upgrading • To promote and enhance development planning, spatial planning and land use management • To provide strategic guidance for the spatial development trajectory and desired spatial picture of the municipality • To ensure the creation of sustainable human settlements



The municipality has set the above listed strategic goals in the table to guide the process of moving progressively towards the attainment of the long-term vision stated above. The focus primarily is on tourism as the leading sector serving as the engine for our economic growth and development. On the provision of infrastructure and services, the municipality believes that it should ensure that the existing infrastructure is maintained properly and improved and that basic services are accessed by all.

Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce poverty levels. Generally, RNM is the most concentrated economic hub within Ugu District Municipality with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub, RNM has advantage of influencing the Ugu Region's economic potential, policies and development programmes.

2.13.3 Table 15: VISION

“By 2036 Ray Nkonyeni Municipality will be a prime tourist-friendly; economically diversified and smart Municipality with equitable access to opportunities and services in a safe and healthy environment”

2.13.4 Table 16: MISSION

“The Municipality is committed to create an enabling environment for the establishment of agricultural; maritime; leading tourism and industrial hubs to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholders”

2.14 Strategic Objectives

The municipality adopted the strategies below:

1. Municipal Transformation and Organisational Development

- i. To foster effective and efficient Inter-Governmental Relations (IGR)
- ii. To ensure on-going human resource development
- iii. To attract and retain skilled employees
- iv. To be an innovative organisation with improved performance

2. Basic Service Delivery and Infrastructure

- i. To ensure existing infrastructure is maintained and improved.
- ii. To provide access to basic services
- iii. To extend the provision of basic services and infrastructure to rural areas.
- iv. To improve delivery of capital projects through investment in infrastructure development
- v. To facilitate the provision of housing



3. Local Economic Development

- i. To grow the economy of the municipality through investment attraction and tourism development
- ii. To create an enabling environment to grow businesses, cooperatives and SMMEs
- iii. To drive job creation initiatives
- iv. To promote township and rural development through nodal developments especially for commerce and industries
- v. To promote sustainable livelihoods and enhance the fight against poverty
- vi. To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

- i. To promote a culture of participatory democracy
- ii. To develop and review organisational policies to be in line with current national and provincial agenda
- iii. To develop an ethical organisation which is fraud and corruption free
- iv. To promote and uphold principles of good governance and legal compliance
- v. To ensure a safe and crime free municipality.
- vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need
- vii. To promote and safeguard the municipal brand

5. Municipal Financial Viability and Management

- i. To ensure efficient and effective management of council assets and properties.
- ii. To improve revenue, cost reduction and management of debt
- iii. To ensure expenditure on long-term capital infrastructure project plans

6. Cross Cutting Issues

- i. To create sustainable and resilient settlements
- ii. To promote and enhance planned development and land administration
- iii. To promote green economy

2.16 Long term vision

RNM has a long term vision (**Vision 2036**) that has been developed, due to be adopted by Council. Full details in the next IDP Review.



SECTION C: DEMOGRAPHIC ANALYSIS

SECTION C: DEMOGRAPHIC ANALYSIS

3.1. Population Profile

The combined population of Ugu District is 753 336. Out of this total, Ray Nkonyeni Municipality's population is 348 533. With this population, RNM is the highest populated municipality in the District, making 45% of the entire district's population. Africans are still dominant within the municipality by a huge margin, which is more than 82% followed by Whites at 11%. Indians make a lower percentage as compared to the two mentioned races, followed by Coloreds.

With this kind of population, there are bound to be socio-economic issues that the municipality will have to address, like in any society with similar issues. In that regard, the municipality has put responsive programmes and policies which will ensure that such issues are addressed and further enhance livelihoods for its entire communities. These programmes and policies will be unpacked in detail in the document under each Key Performance Areas (KPA's).

Most of Ugu's Local Municipalities' boundaries were affected after the demarcation, except for Umuziwabantu. After the disestablishment and incorporation of Vulamehlo into Umdoni Municipality, the boundary of the latter changed. Umzumbe municipality's boundary was affected as well since a small portion in its northern part was demarcated to Harry Gwala District. Umuziwabantu's boundary was not affected.

The newly established Ray Nkonyeni Municipality there after boasted the largest local municipality in square kilometers in the entire District. Below are two maps showing boundaries before and after the demarcation of the Ugu District Municipality and its local municipalities.

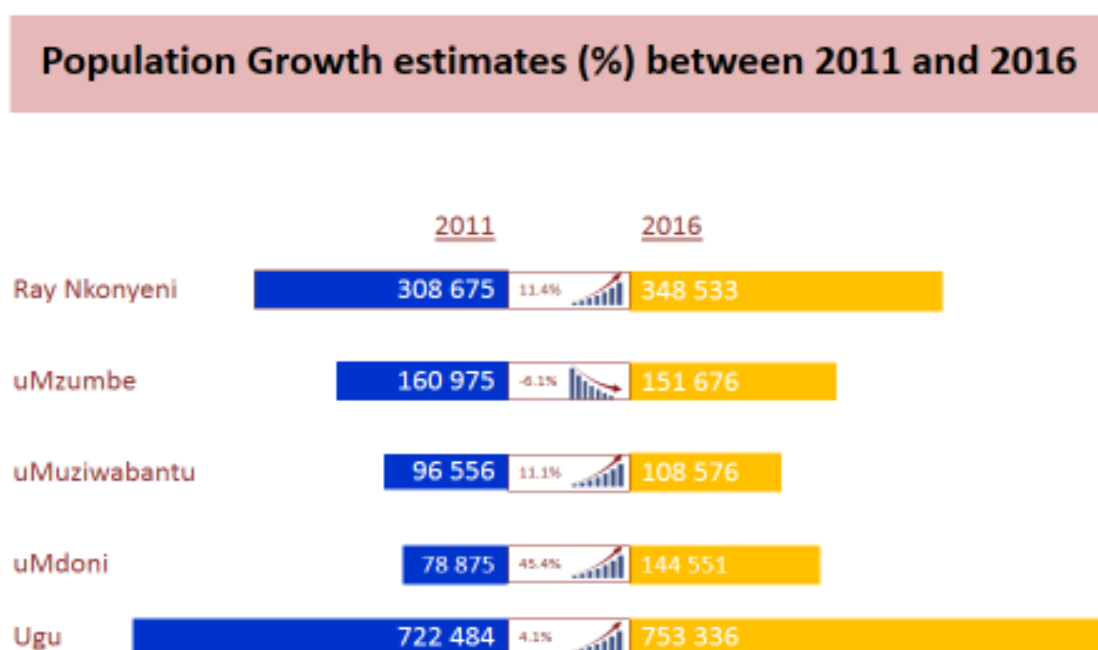


Uvongo Beach



Below is a graph showing the Ugu Local Municipalities' population estimates in 2011 and 2016 respectively. It must be noted that some local municipalities experienced a population growth in 2016 while some experienced a decline. Those with a population increase are Ray Nkonyeni, Umdoni and Umuziwabantu Local Municipalities while Umzumbe local municipality's population declined. The population growth was due to the amalgamation while the decline factor was due to the fact that a portion of Umzumbe was demarcated to Harry Gwala District Municipality.

Graph 2: Population Growth estimates %



Source: Statistics South Africa 2016 Community Survey

There was a population growth of (11%) 39 881 in 2016 for Ray Nkonyeni Municipality, while Umuziwabantu's population increased by (11.1%) 12 020 and Umdoni experienced the highest increase of (45.4%) 65 676. On the other hand Umzumbe municipality (4.1%) declined by 9 299. According

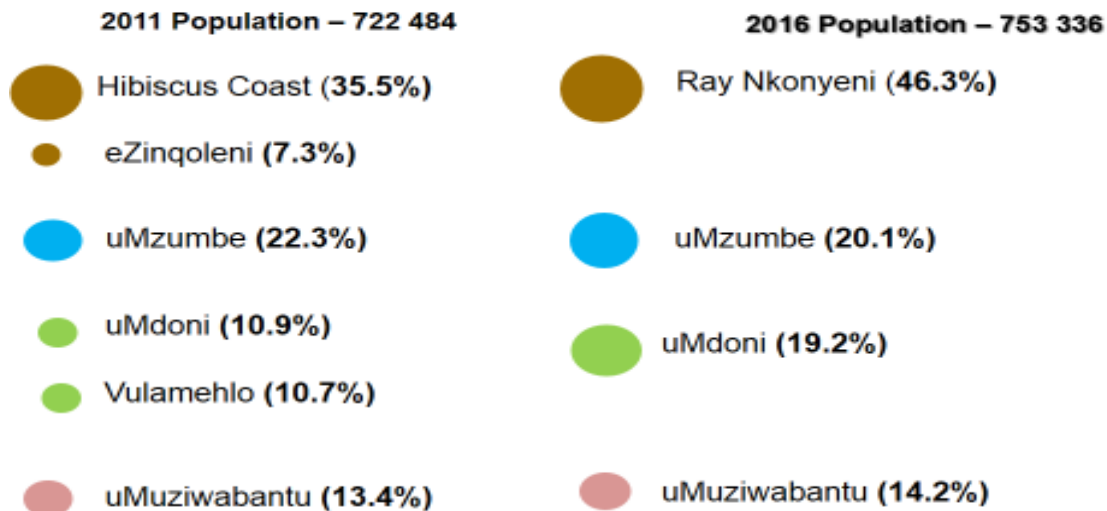
to Provincial standards, these are quite huge growths and normally, when there is a population growth, there is bound to be socio-economic issues arising. It is therefore crucial for any municipality to have proper planning to ensure service delivery sustainable.

In as much as Ray Nkonyeni Municipality did not experience a highest population percentage growth amongst the other Ugu local municipalities, it has however, the highest population percentage in the entire Ugu District, followed by Umzumbe, Umdoni and lastly Umuziwabantu. This is due to the fact that prior to the amalgamation of former HCM and Ezingqoleni Municipality, HCM had the highest population percentage in the entire district, so it makes sense to have such a high percentage even though former Ezingqoleni had the lowest population percentage.



Below is a graph showing each Ugu Local Municipality population percentage.

Graph 3: Population Percentage per Local Municipality



Source: Statistics South Africa 2016 Community Survey

3.1.1 5 year population growth estimate

According to StatsSA Statistical release mid-year estimates 2019, The estimates cover all the residents of South Africa at 2019 mid-year point, and are based on the latest available information. Estimates may change as new data become available. The new estimates are accompanied by an entire series of revised estimates for the period 2002–2019

For 2019, Statistics South Africa (Stats SA) estimates the mid-year population at 58,78 million. Approximately 51,2% (approximately 30 million) of the population is female. Gauteng comprises the largest share of the South African population, with approximately 15,2 million people (25,8%) living in this province. KwaZulu-Natal is the province with the second largest population, with an estimated 11,3 million people (19,2%) living in this province. With a population of approximately 1,26 million people (2,2%), Northern Cape remains the province with the smallest share of the South African population.

Below is a population estimate for Ray Nkonyeni Municipality for the period 2020-2024 as per the statistical release.

POPULATION ESTIMATES 2020/2024

Age	gender	2020	2021	2022	2023	2024
5-9	Male	21009	21039	21113	21255	21496
10-14	Male	21169	21326	21467	21591	21696
15-19	Male	20636	21288	21736	22118	22391
20-24	Male	17207	18212	19041	19998	20959
25-29	Male	17127	16814	16820	17034	17465
30-34	Male	22343	22126	21793	21174	20570
35-39	Male	21165	21731	22347	22812	23031
40-44	Male	15153	16563	17896	19126	20330



45-49	Male	8509	9340	10340	11563	12882
50-54	Male	5546	5828	6099	6382	6732
55-59	Male	3790	3906	4128	4401	4693
60-64	Male	3235	3233	3216	3198	3206
65-69	Male	2329	2312	2286	2275	2274
70-74	Male	1997	1923	1877	1840	1806
75-79	Male	1522	1447	1389	1314	1239
80+	Male	990	961	940	921	890
0-4	Female	344	298	275	256	239
5-9	Female	20546	20515	20656	20820	21025
10-14	Female	20310	20390	20541	20678	20804
15-19	Female	20197	20783	21057	21285	21456
20-24	Female	16926	17849	18664	19573	20419
25-29	Female	16685	16390	16442	16703	17196
30-34	Female	21165	20938	20746	20261	19735
35-39	Female	20531	21067	21582	22041	22364
40-44	Female	15580	16719	17738	18708	19635
45-49	Female	9919	10453	11157	12029	12993
50-54	Female	8489	8706	8851	8917	9028
55-59	Female	7681	7678	7745	7930	8153
60-64	Female	7721	7802	7781	7710	7625
65-69	Female	6264	6439	6601	6757	6909
70-74	Female	5154	5216	5265	5392	5533
75-79	Female	4257	4262	4187	4074	4006
80+	Female	2415	2536	2647	2741	2778

Source: StataSA Statistical release 2019

3.2 RNM population compared to other KZN Local Municipalities' population

In terms of population, RNM is ranked number five out of the 43 local municipalities in KZN. The highest populated local municipality is Umsunduzi with a total population of 679 039, followed by Umhlathuze Local Municipality with a population of 410 465. There is a slight population difference between Alfred Nzo Municipality and Ray Nkonyeni Municipality. Alfred Nzo Municipality has a population of 3.2% of the KZN population and is ranked number four while Ray Nkonyeni Municipality has a population of 3.1% of KZN population. On the other hand, Impendle Local Municipality has the lowest, with a population of 29 526.

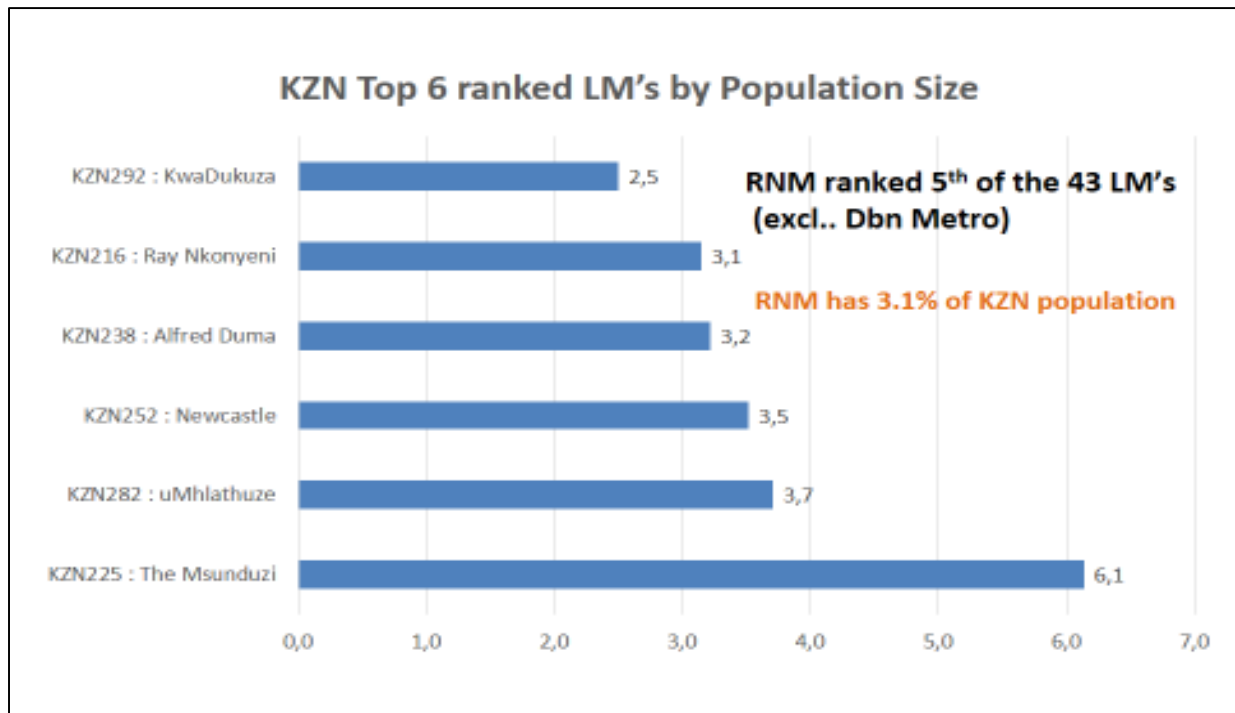
The other Ugu District Municipality locals are ranked as follows:

- Umzumbe Local Municipality is ranked number 18 with 151676 total population
- Umdoni Local Municipality is ranked number 19 with 144551 total population
- Umuziwabantu is ranked number 32 with 108576 total population.



Below are statistics of the top six KZN local municipalities in terms of population size.

Graph 4: Top 6 KZN LMs



Source: Statistics South Africa 2016 Community Survey

3.3 Population Growth

In terms of population percentage growth amongst Local Municipalities within Ugu District Municipality, Umdoni municipality experienced the highest, which is 45.4%, followed by RNM with 11.4%, Umuziwabantu with 11.1% and lastly by Umzumbe with -1%. Ray nkonyeni Municipality has experienced a steady population growth over the last few years.

Former Hibiscus Coast Municipality has always had a high population as compared to the rest of the Ugu locals and further seen as the economic hub for all its neighboring municipalities. It must be noted, however, that other than the amalgamation of former Hibiscus Coast Municipality and Ezingoloni Municipalities, the increase is also due to more child births and steady influx of people from outside the municipality. Throughout the years to date, this influx has had both negative and positive repercussions economically and socially. The negative part being that, due to housing shortages, a number of informal settlements have sprang up on the main towns' peripheries resulting in overcrowding, high crime and more health issues. The positive side is that due to the population growing, the economy of the municipality has been growing steadily as well. Businesses are growing and booming.

According to the State of the Nation Address, 2020, the President voiced out that a high population is a threat to growth and development and results in extreme poverty. In this light then, when a population grows, there is bound to be problems in terms of socio-economic factors are concerned. More people in one area mean less job opportunities resulting in extreme poverty. It there for lies within the municipality to ensure that its vision and strategies addresses this aspect.



3.3 Population Distribution

Most rural areas in many parts of KZN areas are sparsely populated, and this is no exception to RNM. According to the recent community survey, the population is distributed unevenly across the 36 municipal wards. For an example, Ward 20 has a total of approximately 14 855 which makes it the most populated electoral ward within the municipality. Ward 19 accounts for the lowest population of about 5 805. Electoral wards located within the urban component of the municipality and along the main access roads have larger population numbers compared to rural and remote wards. This could also be attributed to a relatively high concentration of economic activities in these wards. This reflects differences in settlement density and typology and may require different approaches in terms of Human Settlements Planning and Development and other basic services. It must be noted that there is a new ward altogether which was formed after the amalgamation of both municipalities, and that is ward 5. The municipality has adopted a cluster approach and thus grouped electoral wards into seven clusters

It must be further noted that in rural wards inland, the population is denser on flat plains as public infrastructure including roads, health centres, schools, etc tend to be. Therefore, the contributing factor to a fairly distributed population is mainly good topography as this tends to be associated with better access to public infrastructure.

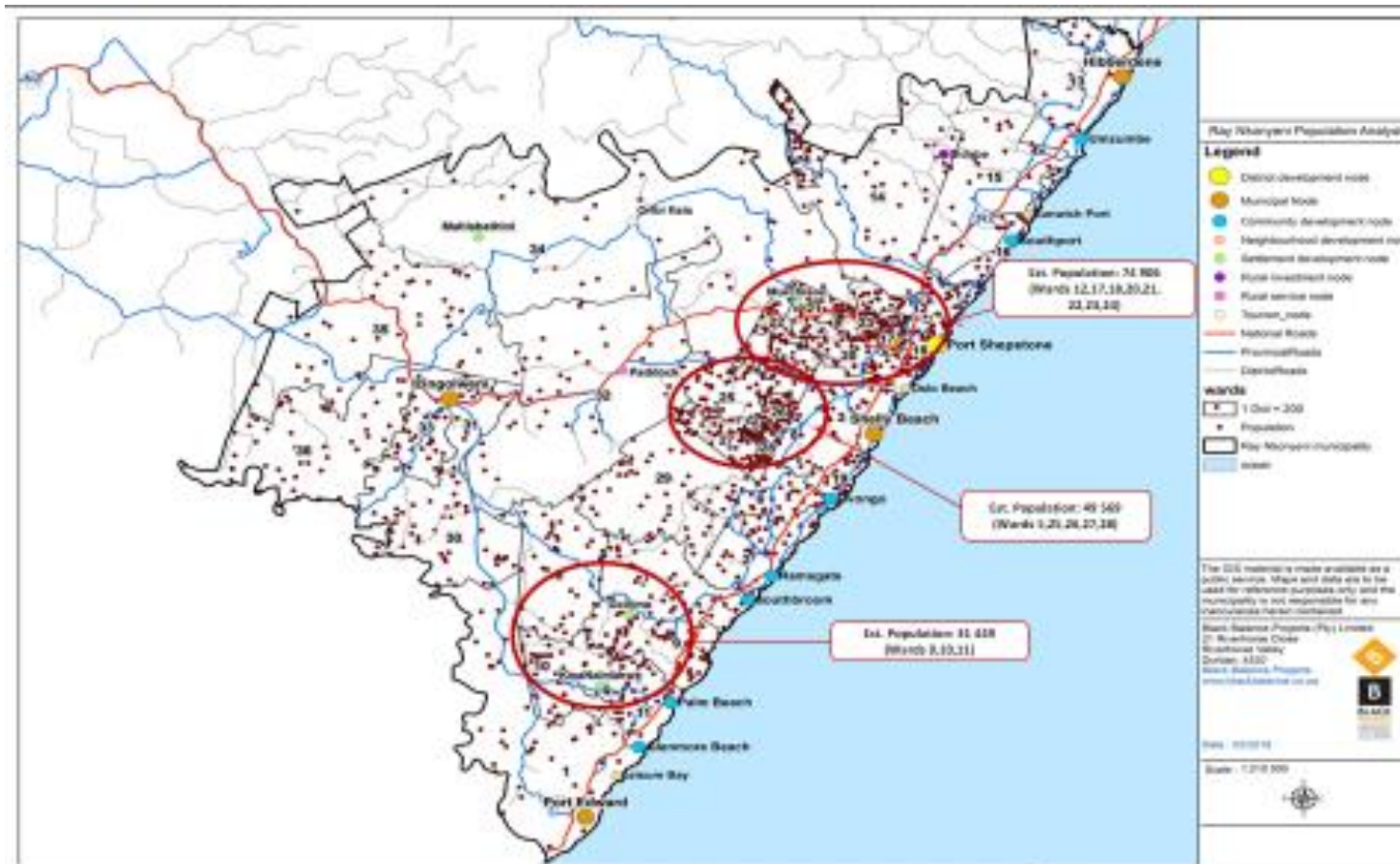
The Population Density Map on the following page shows the population distribution throughout the municipality per square kilometer in each ward.



Margate Airport



Map 5: Population Distribution



Source: STATSA Community Survey, 2016

Source:RNM 2018 GIS



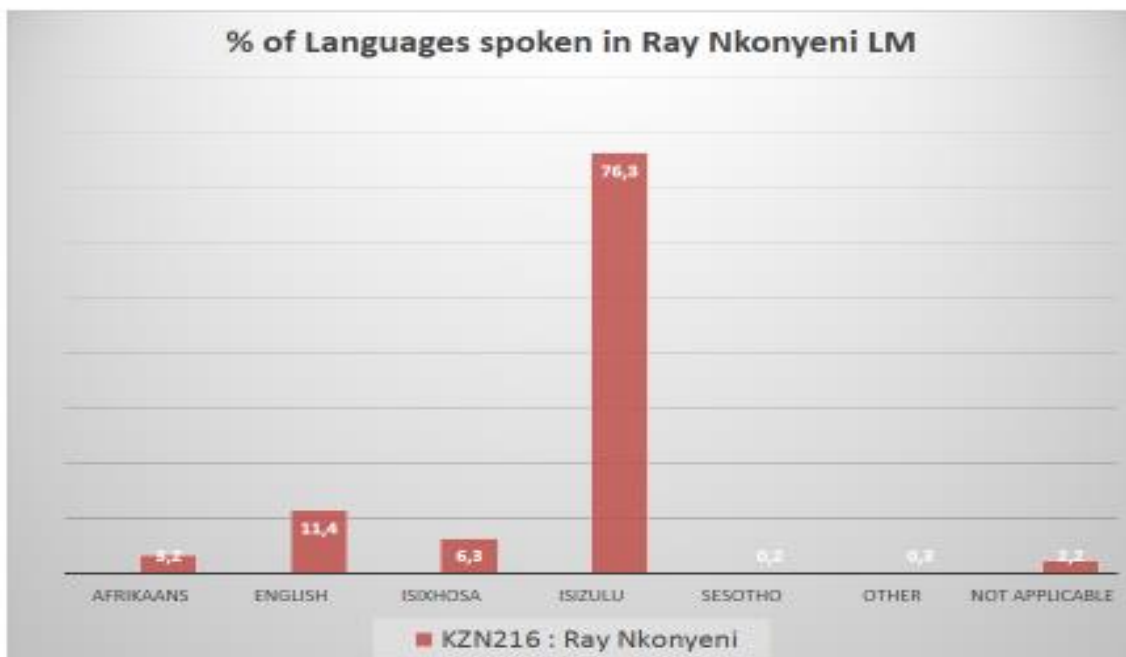
3.3 Population by home Language

According to the KZN Provincial Language Policy, IsiZulu, English, Afrikaans and isiXhosa are already regarded as official languages in the province. Looking at the top five of the mostly spoken languages in the province, the findings are, in the eleven District Municipalities, isiZulu language is mostly spoken, hence in RNM isiZulu is the most spoken language (76%)

English is the second most popular spoken language, at 11.4% while IsiXhosa follows at 6.3%. Afrikaans is 3.2%. There are also other languages spoken by a very small minority.

The graph below details this information.

Graph 5; Home Language Percentage



Source: Statistics South Africa 2016 Community Survey

3.5 Population by Age Groups

The youth population within the municipality is 41%. This population is between the ages of 15-34. This means that the municipality consists of more youth population than any age group. Following at 34% is the children population between the ages of 0-14. This is quite a large percentage considering the health issues that normally affect most children resulting in high number of deaths. The Department of Health has made big strides in terms of improving and addressing health issues to curb the high mortality rate that has been an issue over the years within the municipality. In as much as the PGDS Human Development and Social Capital Analysis points out that there is still high mortality rate within the Province, RNM has made a substantial improvement in reducing it. From the graph below, it is noticeable that the youth percentage is higher than the children's percentage.

This is because the municipality has more educational facilities and more job opportunities which attract young people from areas outside its jurisdiction. The third in population size (18%) is the adults. This category is between the ages of 35-64 years. What is noticeable also is that as the



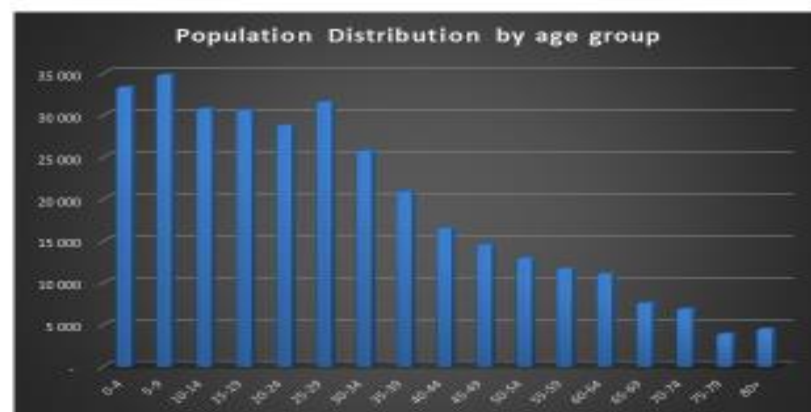
population grows older, the number gets lesser. Contributing factors may be due to socio-economic conditions.

As people grow older, so are their needs which normally result in out migration in search of greener pastures. Another possible factor may be the result of the pandemic diseases. According to the PGDS, high level strategic analysis, these are still areas to improve on and so RNM is improving on that. The last population in size is the elderly who make 7%, between the ages of 65+. One can conclude by that the municipality's life expectancy is extremely low.

When comparing the municipality to the rest of the KZN province, a summary that can be concluded is that, considering that the municipality is ranked amongst the top five in the province in terms of population, it has the lowest life expectancy and this is a huge concern. Social ills can be listed as a contributing factor. The youth within the municipality as compared to the rest of the other KZN local municipalities is the highest.

The graph below shows the municipality's population distribution by age group. It shows that the number of new borns is very high (0-09 years). As they grow above 35 years of age, the number drops drastically. By the time they reach the age of 69, the number is very little. This paints a picture of a very young life expectancy at Ray Nkonyeni Municipality.

Graph 6: Population Distribution by age group

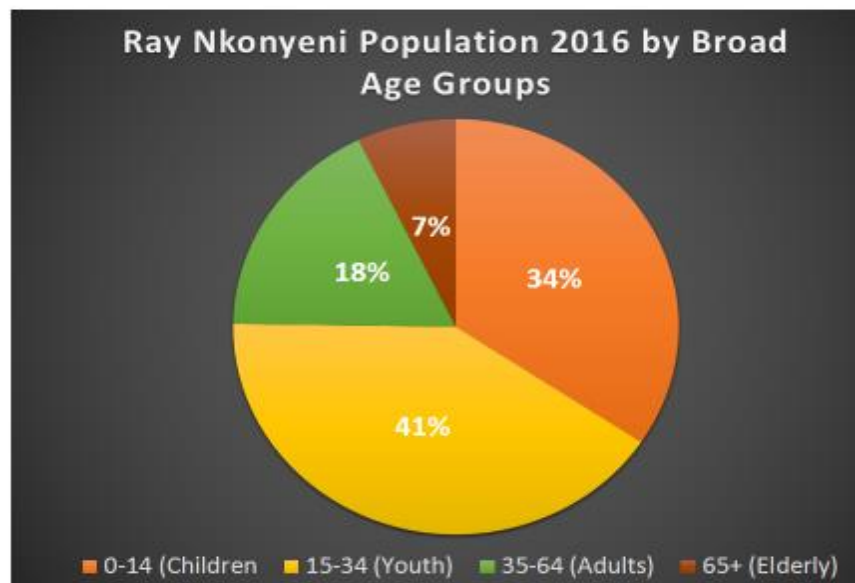


Source: www.salga.org 2018



The graph below shows the population percentage of RNM by age groups.

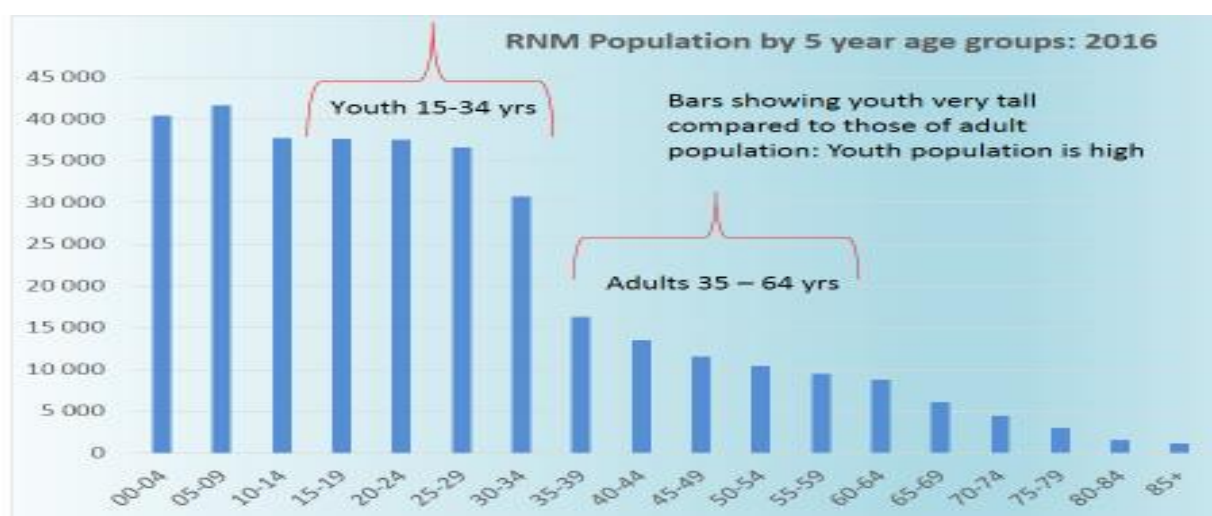
Graph 7: Population by Broad Age Groups



Source: Statistics South Africa 2016 Community Survey

Trends for the past decade indicate that former Hibiscus Coast Municipality constantly experienced a youth bulge. When both municipalities amalgamated, the number increased. This is proven by the information from the population by age groups and the information from the community survey census graph below. From these statistics, a concern that can be raised is, are programmes and policies in terms of job creation and education facilities responsive to this issue?

Graph 8: Population by 5 Year Age Groups



Source: Statistics South Africa 2016 Community Survey



In terms of youth percentage, Ray Nkonyeni Municipality has the highest (41%) followed by Umdoni Municipality with 39% while Umuziwabantu Municipality has the lowest (35.6%). Below is a graph showing the Ugu District's local municipalities youth population percentages.

Table 17: Youth Percentage per Municipality

	Census 2011 Proportion	CS 2016 Proportion
Ray Nkonyeni	37.3%	40.9
uMdoni	≈ 35.5%	38.9
uMzumbe	33.7%	35.8
uMuziwabantu	34.2%	35.6
Ugu	35.7	38.7

Source: Statistics South Africa 2016 Community Survey population Distribution

3.6 Population Pyramid (Age) by Gender

The population pyramid below shows a trend of more baby boys (12%) born than baby girls. Between the ages of 0-14 years, the number of boys as compared to that of girls is high. As the male generation grows older, between the ages of 14-29 years, the number is still higher as compared to that of girls. However, there is a drop in the male generation between the ages of 30-39 years, with a significant further drop further between the ages of 40-85+.

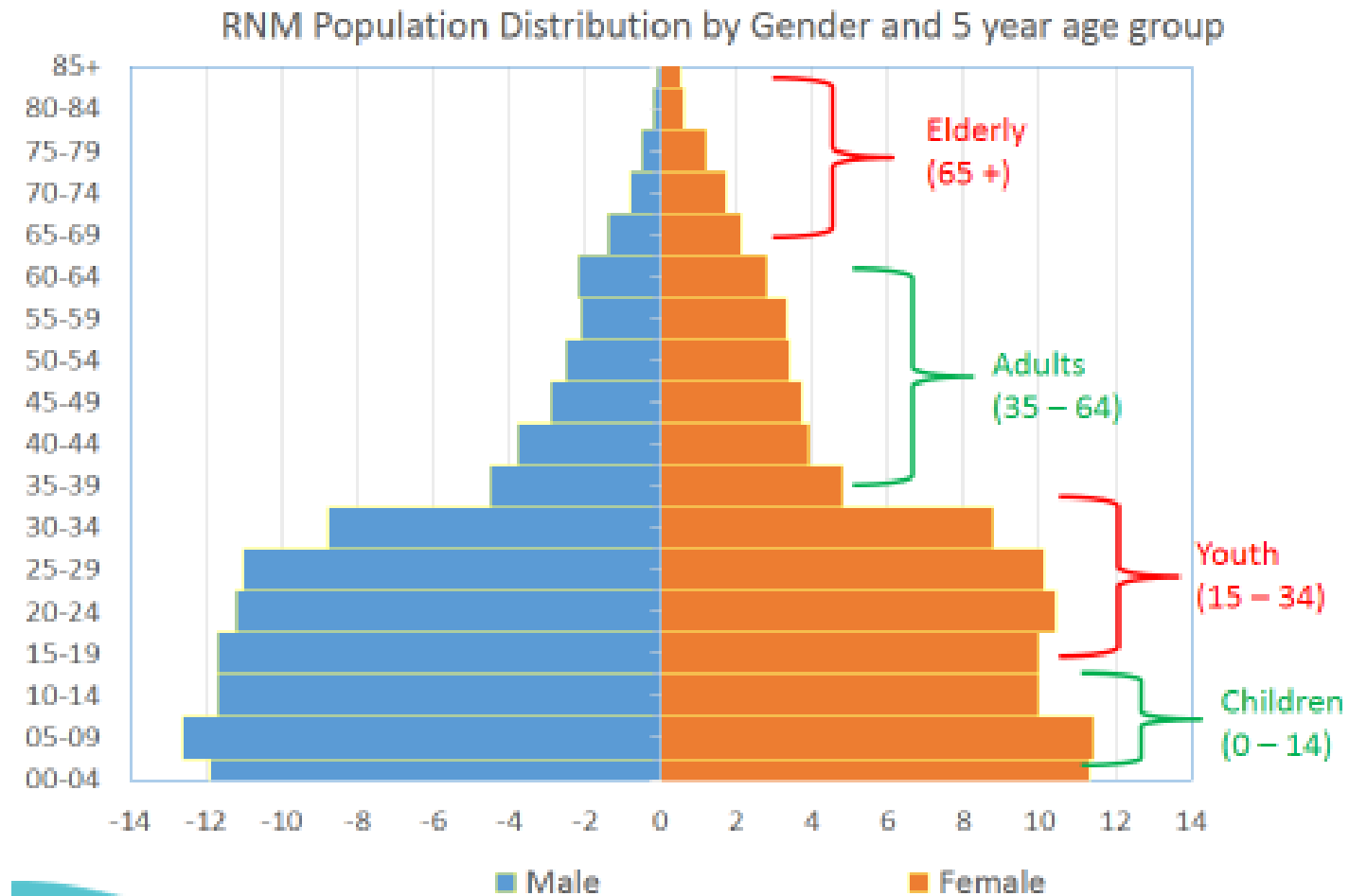
The dropping rate is quite high. On the other hand, the female population at birth is lower (11.8%). Between the ages of 14-19 years, the female population decreases, however, between the ages of 20-29 years, the number increases. Statistics further show that by the time the female generation is between the ages of 30-65+, they are more than males

A conclusion that can be drawn from these statistics is that the male population decrease between the ages of 35-65+ while the female population increases in this age category. This may be due to social ills and the fact that generally males tend to take longer to attend to illnesses and by the time they do, it is late and succumb to death. Another factor may be that of employment.

They leave for distant cities in other provinces for job opportunities. The municipality has a higher percentage (54%) of females as compared to the 46% of males. The lesser number of males as compared to females may be attributed to a number of socio-economic factors. On the following page is a population pyramid of the municipality.



Graph 9: RNM Population Pyramid (Population by gender)

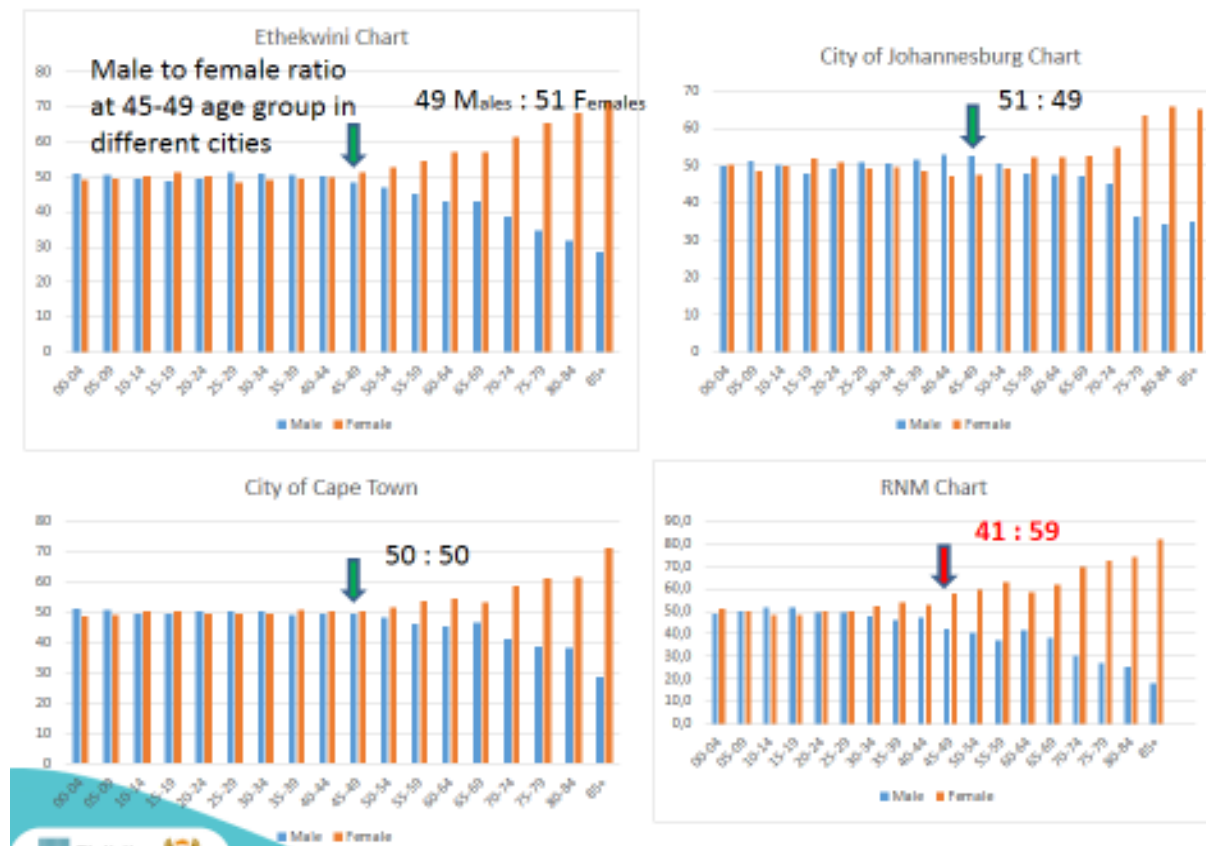


Source: Statistics South Africa 2016 Community Survey



The following graphs compare the male population versus the female population in five year categories between RNM and some metros within the country. As a biggest populated municipality as well as economic hub of Ugu, RNM's male population between the ages of 45-49 shows a decline while in these metros is the opposite. This comparison will assist in comparing our health and economic programmes against those of these metros. The rational behind this comparison is to ensure that our economic programmes and health programmes are enough to uphold the number of males deteriorating. The significance of this age group is that at this age, most people are economic active with most holding stable jobs with families and other major responsibilities they attend to as compared to the other age groups. So as a municipality, is it vital to compare this category with that of Metros considering that the municipality is ranked amongst the top five local municipalities in the Province in terms of population.

Source: **Statistics South Africa 2016 Community Survey**



When looking at the male versus female population age group between the ages of 40-60 years from the above areas, one can conclude that there is not much of a difference in population between the two genders as compare to our municipality. It must be noted that these are large metros with plenty of job opportunities, and so Ray Nkonyeni as Ugu's leading economic hub must ensure that it retains its male population by uplifting its economy to ensure plenty of job opportunities.

3.7 Race Population Distribution per ward

The African population is evenly distributed in almost all the wards. However, in the wards along the coastal belt, which are urban, ward 2, 16 and 19, have a high concentration of white population as compared to the Black population. Ward 17 in Port Shepstone area consists of more Indian population than any of the other races within the municipality.



3.8 Household Size

In terms of density, Ray Nkonyeni Municipality has approximately 90 409 households (hh) which makes it the leading municipality amongst the other Ugu local municipalities. The municipality has, however, a lesser number of hh size as compared to the other locals under Ugu. The average household size is 04 (four) persons per household.

The graph below is summarising this information.

Table 18: Household Head Size

Municipality	2011 Households	2011 HH size	2016 Households	2016 HH size
Ugu	179 435	4.2	175 146	4.3
Umzumbe	35 171	4.6	28 132	5.4
Umuziwabantu	21 619	4.5	21 172	5.1
Ezingoleni	11 472	4.6	Ray Nkonyeni	
Hibiscus Coast	72 172	3.5	90 409	3.9
Vulamehlo	16 135	4.8	Umdoni	
Umdoni	22 867	3.4	35 433	4.1

Between 2011 and 2016, count of households has dropped by 2.4%. However, the Household size has slightly increased from 4.2 in 2011 to 4.3 in 2016

Source: Statistics South Africa 2016 Community Survey

3.9 Household Head by Age

Ray Nkonyeni Municipality's household heads can be summarized as follows:

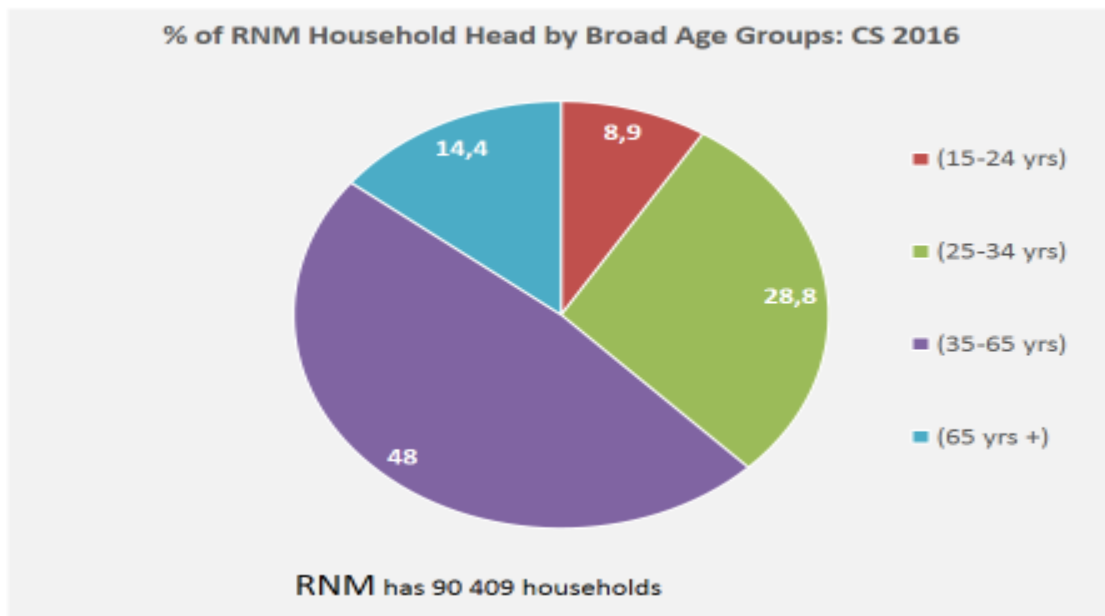
- 48% is the middle aged group between the ages of 35-65
- 28.8% is the youth between the ages of 25-35
- 14.4% is the elderly between the ages of 65+
- 8.9% are children between the ages of 14-25

The above summary draws attention to child headed households, female headed households and the elderly headed households. The elderly headed households are those households headed by elderly people living either alone or with young school going children with no other means of support other than their social grants. The percentages may seem small, but one child/elderly headed household is one too many, and these are special cases which will need to be dealt with in a very household specific.

Through the recent community survey, statistics show that these households heads in most instances are females with no male figures due to a number of issues discussed earlier on in the document. The child headed households in many instances are vulnerable to socio-economic ills. The young children being looked after by other minors are prone to a number of health risks, morals diminish, etc. On the issue of female vulnerability and female headed households, the Human Development Report (solutions and Targets) states that the Government should intensify the implementation of policies, strategies and programmes aimed at combating these issues. On the following page is a graph showing this information.



Graph 10: RNM Households by Broad Age Groups

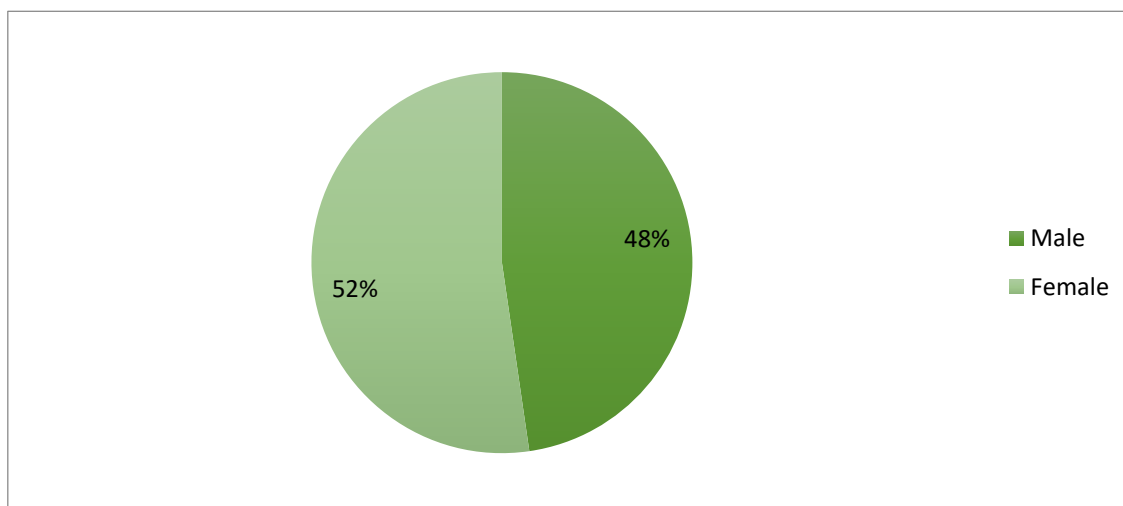


Source: Statistics South Africa 2016 Community Survey

3.10 Household by gender

The municipality has more females than males (refer to the graph below). This has also resulted in more female headed households than male headed households. This is attributed by a number of socio-economic factors. Outmigration by males in search of job opportunities from outside the municipality is one reason. Below is a graph showing this information.

Graph 11: Household Heads by Age and Gender



Source: Statistics South Africa 2016 Community Survey



Below is the municipality's hh by gender estimates for the period 2020/2024 as per the StatsSA Statistical release Mid year 2019.

Age	Gender	2020	2021	2022	2023	2024
10-34	Male	18306	18437	18689	18869	19034
35-49	Male	17662	19153	20689	22301	23991
50-64	Male	7429	7516	7670	7877	8129
65+	Male	3935	3759	3644	3528	3406
10-34	Female	12412	12455	12576	12660	12747
35-49	Female	15864	16899	17935	19002	20124
50-64	Female	12486	12755	13001	13292	13597

Source: Stats SA statistical release 2019

4.1.7.4 Household by dwelling types

According to StatsSA, there are four types of dwellings within the municipality. They are defined as formal, traditional, informal and other type of dwelling.

i. Informal type of dwelling

The informal type of dwelling shows an increase in 2016 as compared to 2011. Amongst and migration from rural areas into urban areas. The Municipality is doing its best in terms of rolling out housing provision as per its programme to meet the demand. Plans are in place to build more houses and eradicate slums. This is in line with the State of the Province Address 2016, whereby the former Premier stated that there needs to be a comprehensive human settlement that needs to be created as well as eradication of slums. Further to this, everyone has to have access to decent housing and live in areas where there are accessible social amenities.

ii. Formal type of dwelling

2011 shows a high majority of formal dwelling types, (74%) as compared to 2016, which was (22.4%).

iii. Traditional type of dwelling

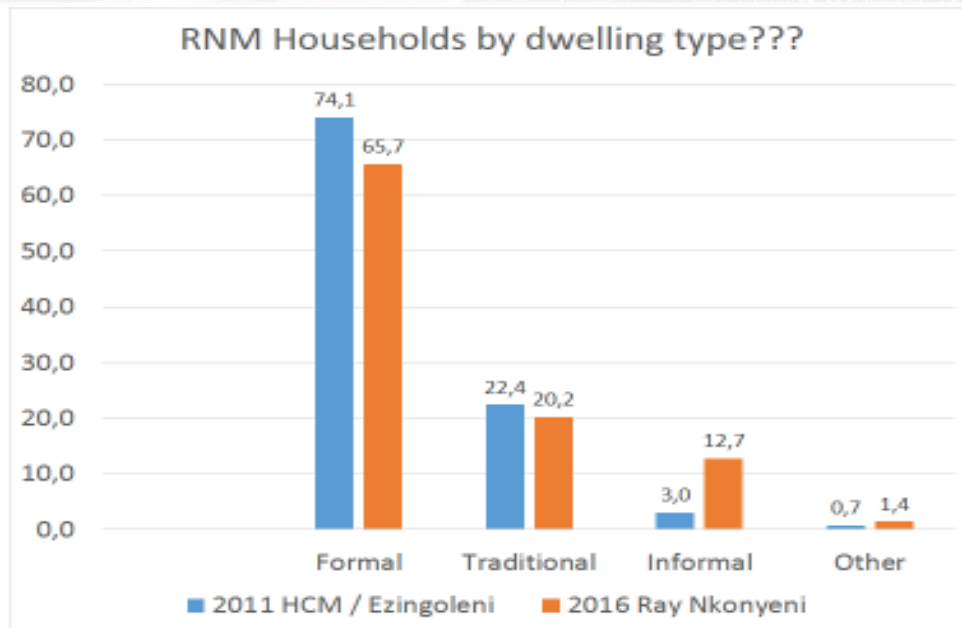
In 2011 there was a 22.4% of traditional dwelling type and a slight decline in 2016 to 20.2%.

iv. Other type of dwelling

This type of dwelling consists of caravan parks. This has the smallest percentage as compared to the other type of dwelling type. It must be noted also that this type of dwellings is found along town edged of Margate and Port Shepstone. It shows an increase between 2011 and 2016.

The graph below shows the above information.

Graph 12: RNM Households by dwelling



Source: Statistics South Africa 2016 Community Survey 3.11 Employment

3.11.1 Employment type

It must be noted that within RNM, a large percentage of the working age consists of more males than women. This is due to the fact that in most instances more especially amongst the rural African communities, it is still a norm that females must stay at home tending to domestic issues while men leave their homes for employment purposes. When it comes to the employment type, a large percentage (74%) of the population is not applicable to any form of employment. This is a huge concern as the gap between the rich and poor is expanding drastically. Those employed in the formal sector only 18% of the entire population while 3% is privately employed. Below is a graph indicating these statistics.

3.11.2 Unemployment

According to the PGDS, unemployment remains chronic and rising and concentrated amongst Africans in rural areas, women and the youth. This is no exception at RNM. This further leads to a significant contribution to poverty. The municipality is faced with a high number of unemployment more especially the youth. Programmes to curb poverty and create job opportunities are in place.

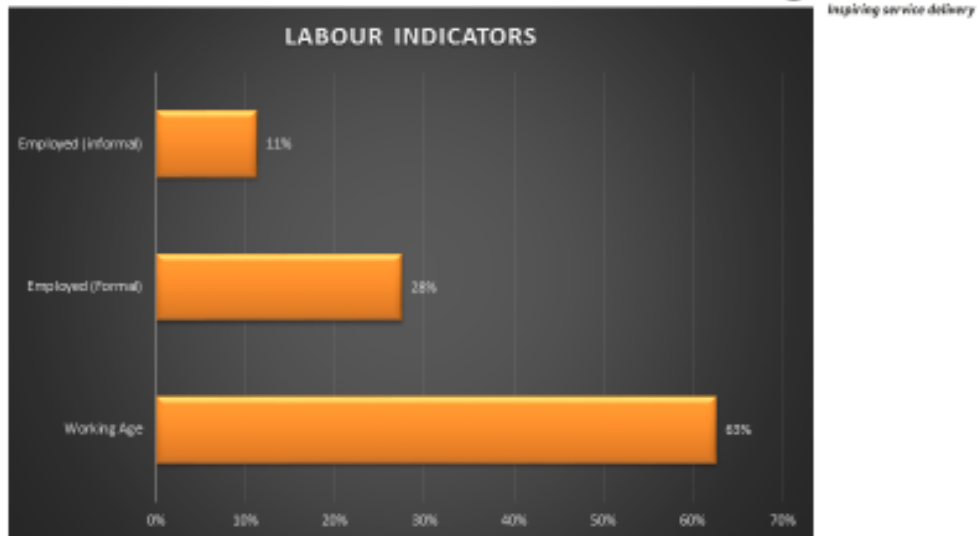
The municipality has also ensured that it partners with stakeholders as well as the private sector in applying mechanisms with an effort to create employment opportunities, skills enhancement, effective and efficient governance etc. The KZN Small Business Development Agency and Ministry of Small Business Development are amongst many programmes the Province has implemented as a vehicle to refocus on small businesses. The municipality has also ensured that through its employment policies, small and medium businesses are created as they are the largest contributors to new employment opportunities.

Informal sector also plays a large part in the creation of jobs within the municipality. Ray Nkonyeni Municipality, through its Local economic Development, has ensured that bylaws have been formulated and are being implemented to enhance its growth as it shows that quite a large part of the population depend on it. The graph below shows the labour indicators within the municipality between the ages of 15-64.



63% of the population are those under the informal employment category. The Informal Sector will be detailed under the LED section in the document.

The following percentage is 28%, which is formal employment. In 2016, statistics revealed that unemployment within the municipality stood at 34% of which is quite high. This therefore meant that the municipality had to have strategies that will address this, and have been discussed in 3.1.



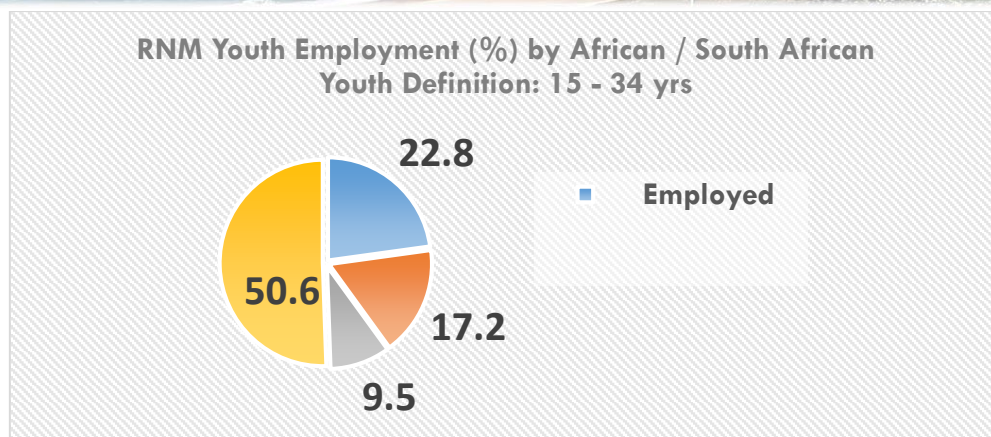
- Of the working age (15-64); -
- Formal employment accounts for **28%**, while
- Informal employment makes up **63%**
- As at 2016, unemployment rate at **34%**

www.salga.org.za

3.11.3 Youth Labour Statistics

For every 100 young persons in age group 15 – 34 years: 23 persons were employed, 17 persons unemployed, 10 young persons have given up hope of ever finding a job and no longer looking for it. Half of the youth (51%) were in schools or in training and therefore could not be described as employed or unemployed. However, 27 young persons (unemployed and discouraged) are effectively not working. To sum this discussion, RNM has a high percentage of youth unemployment.

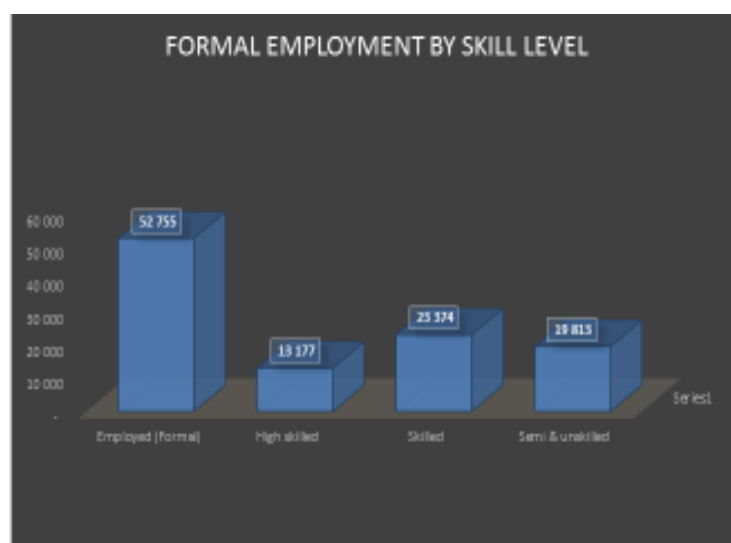
The following graph indicates the percentage of youth employment vs unemployment.



Source: *Statistics South Africa* 2016

3.11.4 Formal Employment by Skills Level

The municipality has a reasonable number of skilled people employed under the formal sector. It shows that the number of people employed under the formal sector is 53255. Those with skills are more than those with high skills. This shows that the municipality has lesser number of people who are highly skilled. Below is a graph with this information.



Source: www.Salga.org 2018

3.12 Dependency Ratio

Ugu District Growth and Development Strategy (UDGDS) highlights that the dependency ratio within the district is quite high and there for clustering of social and economic services within rural nodes and corridors must take place to consolidate development and offer job opportunities to curb the high dependency ratio. Ray Nkonyeni Municipality is experiencing quite a lesser percentage of dependency ratio statistics in comparison to the other Ugu District local municipalities. This has been achieved partially by the initiatives the municipality has embarked on such as the development of nodes and corridors as well as the economic activities which have provided job opportunities. The municipality has also started developing its rural areas in terms



of rural nodes. This is in line with the PGDS initiative to develop rural nodes. For example, the Gamalakhe shopping complex is one semi- rural node that the municipality has developed. Ezingoleni is a small rural town in the hinterland of the municipality, and this also is one of the catalytic projects the municipality aims at developing to be in line with the PGDS rural development initiative. There are also Precinct Development Plans within the current SDF to develop other rural areas such as KwaMadlala and Gcilima.

It is evident that former Vulamehlo and Ezingoleni Municipalities within the Ugu District experienced high dependency ratios, and Umzumbe and Umuziwabantu municipalities experience the same. On the other hand, former HCM and Umdoni experienced lower dependency ratios. This was attributed to the job opportunities found in both municipalities as it has been mentioned earlier on that both these municipalities have job opportunities as compared to the other sister municipalities within the district. A number of people at least have some sort of income as they are either formally or informally employed. When the municipalities merged, the statistics changed. For an example, Umdoni now experienced a slight higher percentage as now former Vulamehlo was merged to it. However, the newly established Ray Nkonyeni Municipality was not affected, having merged former HCM and Ezingoleni municipalities.

Below is information showing the dependency ratio in percentages within Ugu District Local Municipalities.

Table 19: Dependency Ratio

Municipality	Dependency percentage
Umzumbe Local Municipality	90%
Umdoni Local Municipality	65%
Umuziwabantu Local Municipality	58.2%
Ray Nkonyeni Municipality	54%

A summary that can be drawn from the above information is that the dependency ratio amongst each Ugu Local Municipality is quite high. Many people depend on Government grants and subsidies while few hold formal jobs. It must be noted that the strategies formulated by Ray Nkonyeni Municipality addresses issues of job opportunities and other means of sustainability, thereby curbing the high dependency ratio in line with the 2018 State of the Province Address by the Premier to eradicate poverty and inequality.

3.13 Poverty

Poverty remains a leading social concern in South Africa, and KwaZulu-Natal and the Province bears substantial part of the national burden of poverty. As RNM is part of KZN, it means it too has not escaped the clutches of poverty. Poverty can be measured in various means, but for the municipality, poverty has been measured in terms of salary gaps, type of employment, job opportunities as well as human settlement typologies, and health issues. The gap between the rich and the poor is too wide. This is evident amongst the Black majority in rural areas. Most families still live below the poverty line, which is below R1500 monthly income. This is evident from the number of people who depend on Government. Many people within the municipality have no other choices but pushed into the informal (second) economy which is notorious for its unpredictable income streams.



3.14 Social development Analysis C 5.2.1

Social issues such as deprived and semi deprived communities, education, health as well as safety and security will be analysed in this section as it forms part of the demographics of the municipality. The rationale behind this analysis is to assist all planning that the municipality will undertake taking into consideration what communities have on the ground and where they lack. Proper planning can not be effective if social analysis of an area has not been undertaken.

3.14.1 Priority projects per deprived/semi deprived ward

RNM consists of both rural and urban wards, and their needs vary. According to in depth analysis, it has been discovered that most wards which are rural, are highly deprived as compared to those along the coastal belt which are urban, hence a need to prioritise and invest in these areas. However, it must be noted that even though findings have shown that these rural wards are categorised as deprived, it is not the entire ward that is so, but certain areas within it. Below is a list of the wards with areas within them which are categorised as deprived. Information on how wards are deprived and partially deprived was obtained from war rooms. Through war rooms and ward based planning consultations, this information of deprived areas was obtained from there and three (3) priorities per ward were selected.

- Highly deprived wards are: 7, 8, 29, 30, 31, 32, 33, 34, 35 and 36
- Medium deprived are: 4, 5, 7, 10, 11, 14 and 21

Ray Nkonyeni Municipality as mentioned earlier on in the document, is a diverse municipality, with both urban and rural settlements. Needs vary per ward, and through Operation Sukuma Sakhe, wards have been identified that are highly deprived. Such information is obtained in War rooms where ward issues are deliberated extensively. Areas in sixteen wards which mainly are in deep hinterland, were identified. Each ward identified has three main needs as shown below.

Table 20: Highly deprived wards

WARDS	AREAS	MAIN NEEDS
7	Ngwemabala	<ul style="list-style-type: none"> • Community hall to be built • Road concrete topping • Request for electricity
	Gcilima	<ul style="list-style-type: none"> • Road concrete topping from Mangeleka to Nkoncweni • Request for water pipes and taps • Request for street lights
	Nkampini	<ul style="list-style-type: none"> • Request for electricity • Mbambi Road needs concrete • Wwater crisis
	Chatsworth	<ul style="list-style-type: none"> • Zamazulu Road need gravelling • Water issue • Request for electricity
	Katangweni	<ul style="list-style-type: none"> • Electricity needed • Wwater crisis • Road concrete topping
	Mkhobe	
	Nontshuntsha	<ul style="list-style-type: none"> • Request for a community hall • Request for electricity • Concrete topping near Mteshane bottle store



	Melika	<ul style="list-style-type: none"> No water No electricity Melika Road need gravelling
	Qombe	<ul style="list-style-type: none"> No electricity No water Access road needed from Seventeen to Nondaba Road
	Gogogweni	<ul style="list-style-type: none"> No water No electricity Concrete topping at Bheneza Road
	Vulindlela	<ul style="list-style-type: none"> No electricity No water Concrete needed at Valindlela Road
	Thokothe	<ul style="list-style-type: none"> Concrete needed from Thokothe ground to Mbhele No electricity No water
8	TBC	TBC
9	Koloni	<ul style="list-style-type: none"> No water Regravelling of Mahhal aRoad
	Mhlabuhlangene	<ul style="list-style-type: none"> Maso Dlamini Road need gravelling No water
	Khushwini'	<ul style="list-style-type: none"> Delihlazo Road need gravelling Water pipes and taps needed
	Sodoma'	<ul style="list-style-type: none"> Bhaselona Road need gravelling Sikobi Road need topping
	Mankuntshana	TBC
	Sambulo	<ul style="list-style-type: none"> Steep hill paving New hall needed New gym facility
30	Gogozi	<ul style="list-style-type: none"> No sports field No pedestrian bridge No creche
	Mdlazi	<ul style="list-style-type: none"> Request for Khumbuza Community hall Rehabilitation road of Khumbuza to Lonjani
	Ngcawusheni	<ul style="list-style-type: none"> Nduna Cele Road to be regarvelled Qhinqa High to Sjoti road needs gravelling
	Bandlana	<ul style="list-style-type: none"> Phongokazi to Malanga Road to be rehabilitated
31	Dlovinga	<ul style="list-style-type: none"> Request for community hall Concrete slab from to KwaNdlela



	Mbeni	<ul style="list-style-type: none"> Concrete slab from Phuthumani to Katangweni road No library
	Magidigidi	<ul style="list-style-type: none"> Request for sports field Concrete slab from Bobeni to Khalweni Request for a library
32	Sgodaneni	<ul style="list-style-type: none"> Access road rehabilitation No electricity infills Request for a sports field
	Mgawulwane	<ul style="list-style-type: none"> Access road to be rehabilitated Electricity infills needed Mgawulwane crèche furniture needed
	Paddock	<ul style="list-style-type: none"> No VIP toilets No Electricity infills
33	Mbeni/Munga VD	<ul style="list-style-type: none"> Regravel and concrete of Qhashela road Zihlabathini to Bubule Road to be regavelled and concrete Vehicular bridge needed and Makhanya to Ncumuse road to be rehabilitated
	Nkulu/Vukuzithathe VD	<ul style="list-style-type: none"> Concrete slab and regravelling of Makhanya Road Concrete slab and regavel of Sqedukoma Road Pedistrian Bridge at Bhayiya and regravelling
	Shobashobane/Magaye VD	<ul style="list-style-type: none"> Khomo to Gambushe road to be regavelled and concrete VIP toilets needed Ezingoleni Road to be regavelled
	Shoba/Khandalesizwe VD	<ul style="list-style-type: none"> Khandalesizwe Road to be regavelled and concrete slab Sdudla road to be regavelled and bridge needed
34	Thonjeni	<ul style="list-style-type: none"> No access road at Mbuyiseni Wwater crisis
	Inkulu	<ul style="list-style-type: none"> Access road needed at Ngodini Sports field needed at Mshiwa Access road needed at Mashimane
	Wosiyane	<ul style="list-style-type: none"> Qili Road to be rehabilitated Regravelling of Mzenge access road No Sports field
	Blose	<ul style="list-style-type: none"> Request for a pre school



	Nkunswana	<ul style="list-style-type: none"> Water crisis
	Mahlabathini	<ul style="list-style-type: none"> Mhlabunzima Community hall needs rehabilitation
35	Hlomendlini	<ul style="list-style-type: none"> No electricity installation Berea to kwaMajiya road needs gravelling Cebisa store to kwaMhlungu road need gravelling
	Shibe	<ul style="list-style-type: none"> Road concrete topping needed at kwa Mthuli to Pola Electricity installation Crosini Road need concrete
	Ndunu	<ul style="list-style-type: none"> KwaNdunu Hall road need gravelling and concrete Smakadeni Road need concrete Electricity installation
	Godloza	<ul style="list-style-type: none"> From Bomvini to Dingindawo road need gravelling Electricity installation Gravelling at White House to Mkhize Road
	Celebane	<ul style="list-style-type: none"> Electricity installation Bhobheni needs gravelling Nxeko Road need gravelling
	Sbhangwane	<ul style="list-style-type: none"> Electricity installation Athenjini Road need gravelling Sbhangwana Road need concrete
Ward 36	TBC	

3.14.2 Education analysis

The education levels are improving as more learners are enrolled and reach secondary level (Stats SA 2016). In the past, secondary school was the dominant level of education and it has remained as such, and now it is also showing great improvement as the number of people at secondary school level has tripled the 2001 figures. Primary schooling has also shown great improvements as more learners are enrolled. This is in line with the 2018 SOPA whereby the Premier stated that every child must have a basic education. There are some challenges however, that are experienced within the Education Sector. A number of urban schools experience a high influx as more learners abandon rural schools. This has resulted in many rural schools with very little enrolment which may result in some being closed down. The exodus is cited as lack of proper education infrastructure and long walking distances.

Enrolment in Grade Rs has also seen a steady rise over the years. This is due to the fact that the National Department of Education has made it compulsory for all learners to be enrolled at preparatory school before starting Grade 1. It must be noted that the municipality boasts preschools in almost all its Primary schools. There are also creches that are privately run as well.



There is a high dropout rate at high school level due to a number of socio-economic ills. Teenage pregnancy, orphans and the abuse of substances are some contributing factors. Ray Nkonyeni Municipality experiences the highest number of teenage pregnancy as compared to the other sister municipalities.

Many households are child headed as most parents are either dead or in distant cities for job opportunities. The result of absent elderly people in a home result in a disorientated household with no supervision. Children are not cared for and do as they please and end up dropping out of school. Many people do not have a matric certificates. In as much as it has been stated the municipality experiences a high dropout rate, it must be noted that its matric results are the best when compared to the other sister local municipalities. This is due to the programmes in place that aid in ensuring that the culture of learning is not lost. These include the Saturday and Winter class programmes. Dedicated Educators over the years have ensured that they run these programmes and results speak for themselves.

Ray Nkonyeni is also proud to mention that there are special schools within its jurisdiction that cater for children with special needs and are fully equipped with resources.

Following are some of the interventions by both the municipality and the Department of Education to ensure the culture of learning takes place.

(i) Food and nutrition

The Government ensures that the culture of learning takes place in safe environments as well as its effectiveness will bear fruits if minds are healthy and well fed bodies, hence the Food and nutrition programme was introduced. The food and nutrition programme has been rolled out to schools all (primary and high schools) within the municipality. This is a government funded programme, aimed at feeding learners with healthy and nutritious meals on daily basis in all schools through out the country. The municipality is proud to announce that all schools in its jurisdiction participate in this programme.

(ii) Municipality's Programmes

To ensure that no learners from the previously disadvantaged schools and poverty stricken families pursue their studies at tertiary, Ray Nkonyeni Municipality has a fund annually rolled out to first year tertiary entries. This programme is known as the Mayoral Bursary. Funds are given out to students who meet the bursary requirements and above all, who have been admitted to a tertiary of their choice. This initiative has produced tremendous results as statistics reveal that more students are enrolled at teriaries and the number keeps increasing each year. It must be noted that in the past RNM had a high number of learners with matric, very few with tertiary qualifications due to poor family backgrounds.

There are also funds given out to scarce skills qualifications such as Engineering and Town Planning. Due to limited funds, qualifying criteria is very steep, only the very best are awarded. Full tertiary fees are covered under this programme. After completion at tertiary, the student is offered an internship within the municipality.

There are local business people who have over the years taken initiatives of giving out funds to well deserving students to enrol at tertiary institutions of their choice. A highlight of this is in ward 35 whereby a local businessman does not only fully fund top students' tertiary fees from the



ward, but ensures that each of these students in their third year of study sits for a driver's learners and practise driving. The driving licence is paid for by the business man. Full tertiary fees are covered.

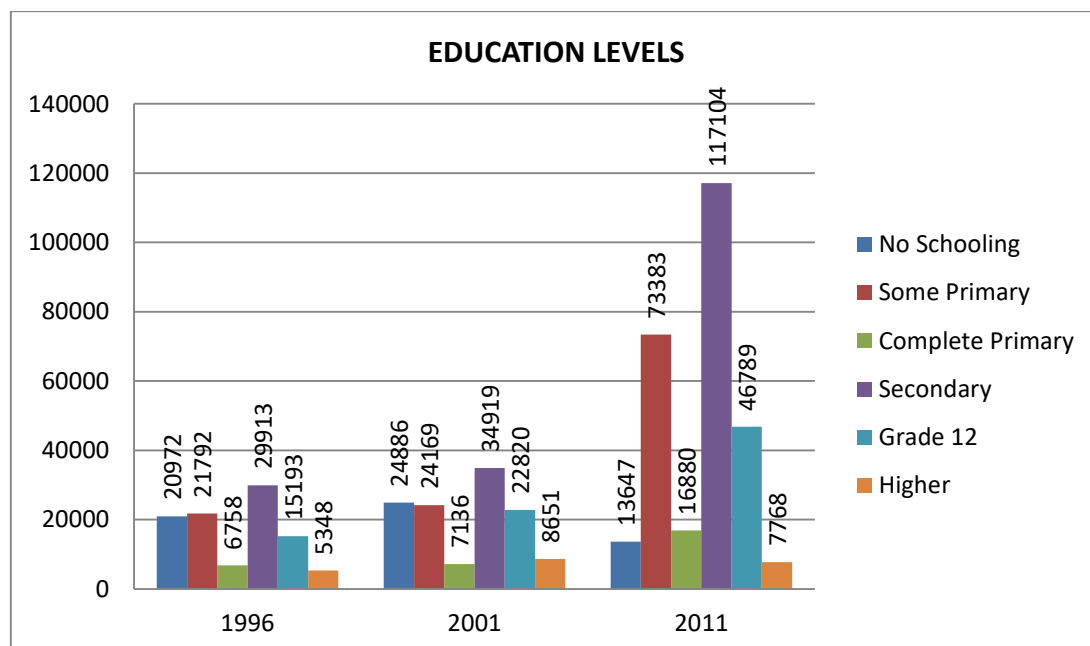
3.14.2.1 Education levels

Higher education level s(tertiary) holders within the municipality is low.This may be attributed to by a number of social factors. School drop out rate is high. Many learners come from dysfunctional homes and do not cope well at school resulting in dropping out. Other learners are heads of their families since parents have passed on, and the burden weighs them down to an extent of failing to cope at school and end up dropping out.

Ray Nkonyeni has four TVET colleges, at KwaNzimakwe, Oslo Beach Gamalakhe and Port Shepstone. The municipality has signed an MOU with the University os South Africa to develop a university within its jurisdiction, and a sod turning event has taken place, construction will be announced soon and anticipated completion of the project is 2021.

The graph below shows education levels within the municipality. The graph indicate that in 2011 the number of non schooling children was extremely high as compared to both 1996 and 2001. Research showed that this was due to social factors. Secondary levels shot up way too much in 2011 as compared to the other years prior. Grade 12 learners increased from 2200 in 2001 to 42 000 in 2011. The increase may have been attributed by the number of school awareness campaigns that wer conducted through out the entire District encouraging learners to obtain teir matric. Another factor may be that new programmes were introduced by the department to enhance better results in schools. This included the introduction of winter schools and adequate learning materials was rolled out to schools. However, higher education levels have not improved. This may be attribute by the fact that most learners do not meet requirements,while some, due to family social pressures as mentioned earlier on, have to take care of their siblings and forced to look for employment.

Graph 15: Education Levels



Source: Community Survey 2016



3.14.2.2 (i) How the municipality has responded to the Strategic Goal no.2 of the 2035 PGDP

Strategic goal no 2 of the PGDP talks to the Human Resource Development. It basically touches the improvement of early childhood development, Primary and Secondary Education. In response to this objective, Ray Nkonyeni Municipality' Department of Education fully aligns and has ensured that strategic interventions have been directed to schools more in the rural areas, and townships schools due to the imbalances of the past.

The strategic intervention identified seek to impact on provision and focus on educators, governance and logistical support for equipment and books in these schools. Early childhood is administered through the Department of Social Development. In as much as the municipality is producing good matric results as compared to the other 3 sister municipalities, it must be mentioned that schools in rural areas still lack in many resources. Renewed focus is required to accommodate the provision for special needs in some schools in rural areas.

Major interventions have been made by the Department to drive early childhood development and basic education. Almost all schools within the municipality have the basis services such as clean water. Effective governance and management at schools as well as at District level has improved. Performance is closely monitored by various subject advisors who ensure that the syllabus is adhered to by constantly visiting schools. To ensure that the culture of teaching and learning takes place, the district has managers who monitor and visit the schools occasionally.

The use of modern technology however is still in urban schools with very few in rural areas. In terms of supporting skills, the TVET colleges ensure that these take place. Graduates from TVET colleges are sent to various fields for internship purposes, and we must announce that big numbers graduate.

3.14.2.3 Schools'Infrastructure Projects

For the 2019/2020 financial year, the Department of Education has set aside a budget and adopted it to carry out its infrastructure projects and these include:

- New Schools
- Upgrades and additions to existing schools
- Renovation and rehabilitation to existing schools
- Fencing
- Electrification of schools
- Storm damage of schools
- Water and sanitation

REFER TO DOE ATTACHMENT....

3.14.3 Health Analysis

The Health Department promotes public health and protects the health of people and the communities where they live, learn, work and play. The Health Department also promotes wellness by encouraging healthy behaviors. The public health of the municipality is guided by the District's Public Health By-Laws which is made of nineteen chapters. The Health Department has ensured that it promotes the health of the citizens of RNM by encouraging behaviors amongst communities that will produce better health which include anti-smoking campaigns, healthy lifestyles and promote better nutrition. It has also protected the communities by preventing the development and spread of diseases and illness.





The following illustration shows the three spheres of health within RNM.





Health Facilities within the municipality

Within RNM, following are Public and Private Health care facilities as well as clinics:

- Margate Netcare, Hibiscus Hospital (Private Hospitals)
- Shelley Day care Hospital & Hibiscus Private Hospital (Private Day Care Hospitals)
- 45 Mobile clinics

Table 21: Health Care Centers

Clinics	21	
Regional Hospital	1	Port Shepstone Hospital
District Hospital	1	Murchison Hospital
Community health centres	1	Gamalakhe
Ward based outreach teams	3	Factories, Ntabeni and Gcilima
School health teams	5	Marburg/Margate/Gcilima/Ntabeni and Izingowelweni
Fixed HTA site	1	Marburg Truck Stop
Mobile Clinics	7	PS mobile 1,3,5,6,7,8,9
Health posts	2	Bhokodisa/Khanysizwe
Health promoting schools	10	

Below are the clinics within the municipality.

Izingolweni Clinic	Mthimude Clinic
Thembalesizwe Clinic	Thonjeni Clinic
Bhobhoyi Clinic	Bhomela Clinic
Braemer Clinic	Gcilima Clinic
KwaMbunde Clinic	Ludimala Clinic
Madlala Clinic	Marburg Clinic
Margate Clinic	Mvutshini Clinic
Ntabeni Clinic	P Shepstone Clinic
Port Edward Clinic	Shelly Beach Clinic
Southport Clinic	Umtentweni Clinic
Port Shepstone Gateway Clinic	



Some of the primary health prevention and care initiatives implemented by the department include;

- NIP sites in partnership with the Department of Social Development;
- Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226 MMC, school health teams, 30 MMC mobilisers);
- Happy hour in clinics to prioritise service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with backlogs on health facilities, Ray Nkonyeni sub district planning process 2019/2020 includes the following facilities:

- Murchison Hospital
- Port Shepstone Hospital
- Gamalakhe Community Health Centre
- Clinics

Phila Mntwana

Diarrheal disease is the main contributory factor for most deaths of children under the age of five. It is reported that the incidence of diarrheal cases were in fact on the rise in the previous two years. The causes are multi-factorial but the importance of hygienic food practices, rotavirus immunization and early treatment with Oralrehydration solutions right from home will ensure reduction in morbidity and mortality associated with diarrheal diseases. Breastfeeding, proper hygiene and up to date immunization can help reduce the mortality rate as well. Also, there is a programme that the Health Department has embarked on, known as Phila Mntwana. It educates mothers on how to ensure that their babies are hygienically cared for. This initiative has proved a success as the child mortality is decreasing.

Also there is a programme that the Health Department has embarked on, known as Phila Mntwana. This is because in these areas the rate of diarrhea and malnutrition is too high. On the following page is a list of the Phila Mntwana Centres:



Table 22: Phila Mntwana Sites

Phila Mntwana Sites
Mkholombe
Masinenge
Manzamhlope
Oshabeni Traditional Authority Court
Braemar Mobile Library and Community Hall
Thembalesizwe

Infrastructure

Service Transformational Plan (STP)– 10 year plan:

- Marburg Community Health Centre
- Hibberdene
- Ntabeni
- Mphelelwa
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabatini
- KwaNikwe

Last clinic built in 2006. However, investigations continue to be conducted for new requests

Emergency medical services

The entire Ugu District has fifteen ambulances, of which seven of these fall under for RNM. Seven ambulances in RNM. Response times are still far below the acceptable norm in both urban and rural areas due to insufficient funding for additional vehicles and staff. Ambulances are placed at these strategic points in order to improve response time by reducing drive time from the main EMS Base /Station:

- Glenmore Service Station- catchment population is KwaXolo and KwaNzimakwe communities as well as coastal areas of Port Edward
- Paddock Service Station – catchment population is Paddock and Ezinqoleni community

Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The



improvement of response times is achievable only if the number of staffed rostered ambulances is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

Teenage pregnancy is above 10% which is a cause for concern. It should be noted that this high percentage is not for RNM residents only, but for the entire Ugu District as people from the other sister municipalities make use of the two Provincial hospitals and clinics within the municipality.

i. Rolling out of ARVs

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal area with highest HIV prevalence especially amongst pregnant women visiting public health facilities. The Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening.

The World AIDS Day is commemorated on an annual basis. Furthermore, the HIV and Aids jointly with the special programmes unit purchase and deliver school uniforms to vulnerable children in schools. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes / awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

Murchison and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Ray Nkonyeni Municipality. These two hospitals initiate ARV treatment and refer patients to the nearest clinic for follow up treatment. The following clinics offer follow up treatment: Margate, Gamalakhe, Bhobhoyi, and Ntabeni. Other clinics refer clients to one of the two hospitals for ARV treatment. All clinics however provide screening, counseling and taking blood samples as part of the ARV roll-out programme.

Given the limited resources and strained health system, the demand for ARV's is outstripping the capacity to deliver. Of concern is the long term sustainability and equitable distribution of the roll-out programme. Pressure to meet target numbers must be tempered by the need for rational drug use by dispensers, providers and consumers.

ii. Rolling out of Sukuma Sakhe

The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards / areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards.



Ray nkonyeni Municipality's health aspirations

- Reduce maternal mortality
- Reduce neonatal mortality
- Reduce under 5 years child mortality
- Manage HIV prevalence
- Improve TB outcomes
- Reduce mortality and morbidity of non-communicable diseases
- Health system strengthening
- Reduction of maternal mortality
- Reduce avoidable Maternal mortality
- Monitor pregnancy testing by Community Health Workers in the community
- Marketing services e.g. campaigns within the community, community health workers and Traditional Health Practitioners, community dialogues
- Improve quality of care – high risk clinic operating hours extended from Monday to Friday

➤ **Decrease delivery in 10 to 19 years in facility rate**

- Conduct outreach services to schools
- Train school health teams on long term contraceptives.
- Implement youth friendly services at clinics

➤ **Couple Year Protection rate**

- Provide mentoring to all clinicians
- Monitor condom distribution, Intra Uterine Contraceptive Device and implanon insertion on weekly nurse centre meetings
- Conduct community surveys on choices of family planning

ii.Reduce neonatal mortality

- Antenatal care, Counselling AYFS (youth friendly)
- Community dialogues
- Adherence to guidelines, Ensure clinical audits are performed
- Book 1st antenatal visit before 20 weeks
- Counselling of mums

iii. Reduce under 5 mortality

- Revive and monitor functionality of Philamntwana centres
- Linking of CHW's with Care givers
- On-going Mentoring of integrated Management of Childhood Illness (IMCI) nurses
- Increase under 1 year immunization coverage

➤ **Manage HIV Prevalence**

i.Increase Male condom distribution

- Identify areas of need to supply more condoms e.g. areas with high sex workers, farms and taverns
- Pack condoms in treatment packs from consulting rooms in PHC settings
- Bin cards for condom distribution to be sent to all PHC facilities

ii.Increase people living with HIV/AIDS with completion viral loads to 90%



- Improve Supervision of staff
- Counselling to patients
- **Increase Positivity yield (testing)**
 - Plan outreach activities to HTA's
 - Follow up of index contacts for testing
- **Improve TB outcomes**
 - Decrease the TB client lost to follow up
 - Improve health education
 - Implement tracing tool and monitor
 - Print and monitor early and late missed appointment list from tier.net system
- i. **Decrease TB death rate**
 - Write TB contact at the back of clinical charts.
 - Provide with sufficient number of contacts to trace
- **Reduce mortality and morbidity of non-communicable diseases**
 - Reduce the incidence diabetes and hypertension
 - Screen all clients who are not on diabetic and hypertension treatment
 - Planned training of Community health Care workers
 - Conduct campaigns and awareness
- **Increase cataract surgery rate**
 - Increase mass screening of target groups e.g. >50s
 - Train community health workers on screening.
 - Keep a list of transferred clients to Port Shepstone Hospital and do follow up.
- **Decrease cataract operation backlog**
 - To eradicate the current backlog in cataract operation.
 - Create public awareness and education on eye care, targeting the young and old
 - Conduct mass eye care to primary school children and elderly citizens
 - Develop measures to prevent cataract before it is too late.
 - Provide free eye glasses for refractive error.
 - Procurement of equipment
- **Health system strengthening**
 - Coordination of community based services capacity building.
 - Ward based outreach teams
 - School health teams
 - Tracer teams
 - Conducts clinical audits
 - align to the Provincial Department of Community Safety and Liaison's Safety Strategy.

Conclusion

The Department of Health within the municipality has not been in a position to develop new facilities since 2006 due to financial constraints, however, it must be noted that some current structures that are operational do get a facelift now and again, and some as indicated earlier, get extensions.



To improve ethical professional behaviour, the department has established amongst other strategies:

- monitoring tool whereby its staff is orientated on the public regulation
- Regular clinical audits
- Continuous Professional development
- Supervision
- Identify accredited person to train others
- Consequence management

3.14.3 (i) How the municipality has responded to Strategic Goal no.3 of the PGDP 2035

In response to goal no.3, which talks to Human and community development, Ray Nkonyeni Municipality through its Department of Health has fully aligned to it and has ensured that the provision of social relief of distress and social grants to the most vulnerable, care and support, substance abuse programmes, treatment and rehabilitation programmes are effectively rolled out. Food insecurity leads to poor nutrition and is at risk factor to health.

There is effective communication by the Department in this respect. The provision of counselling and guidance services to curb drug abuse and develop resilience against drug use for an example are rolled out in all the clinics.

There is very little child poverty and malnutrition within the municipality. This is monitored at ward level through the Sukuma Sake Flagship Programme.

The health financing system is managed effectively to ensure efficient utilization of financial resources and value for money. KZN currently accounts for more than 53% of the triple HIV, TB and STIS burden, Ray Nkonyeni Municipality through its community mobilization, using Operation Sukuma Sakhe as implementation platform, will remain the primary strategy to increase awareness, effect social behavior change, increase uptake of prevention and treatment as well address the stigma and discrimination.

1.14.4 Vulnerable and disabled Groups

The municipality has a designated unit, (the Special Programmes Unit) tasked with ensuring that programmes aimed at addressing the needs of the vulnerable groups are in place. Programmes are prioritized and budget is set aside annually and appear in the municipality's SDBIP. (See SDBIP attachment). There are a number of programmes that specifically address all the issues for this group in particular and annually, a summit is held held with a special focus on addressing issues faced by this group. These programmes include:

- The Mayor of the municipality specifically doing visits to schools, elderly centers and other institutions with an aim of ensuring that projects rolled out by the municipality reaches these people and are sustainable.
- Capacitation in terms of skills and other uplifting projects are conducted. The elderly and the disabled, gender across, participate in this programme. They are empowered with skills to bead and weave.



The table below details programmes and projects carried out by the municipality in response to the needs of the vulnerable groups.

Table 23: Responsive projects for vulnerable groups

PROGRAMME	ACTIVITIES
GENDER	Women empowerments Workshop
	16 Days of Activism
	Women's Day Commemoration
DISABILITY	Hand craft trainings
	Disability Sports Day
CHILDREN'S RIGHT	Back to school Campaign
	Dress a child Campaign
	Sanitary Dignity Campaign
	Take a Child to Work
	ECD Educational Toys
SENIOR CITIZENS	Healthy Life style
	Golden Games
	Intergenerational Dialogue
	Senior Citizen thanks giving
HIV/ AIDS	HIV/Aids Awareness
	Wold Ads day
FARM WORKERS	Farm workers wellness Awareness
	Farm Workers sports day

3.1.4.5.Safety and Security

Safety and security is a major priority of the municipality. The SAPS works closely with the municipality's Safety and Security Department in ensuring that crime is combatted but above all, policing is visible in all areas. There are nine (9) police stations found at RNM, and they are

- Ramsgate
- Gamalakhe
- Mellvile
- Hibberdene
- Ezingolweni
- Sea Park
- Port Shepstone
- Paddock and
- Margate



There is a high concern of the lack of visible policing in rural areas. Communities have requested to have at least satellite police stations put in their areas. Crime is very rife in these areas simply because even if an incident has been reported, there is a delayed response from the SAPS or none at all in some instances. Communities further complain that in most remote areas, there is absolutely no response from the SAPS probably due to their sloppy terrains making reaching there by any form of transport difficult.

Dotted in some urban centers where crime is very rife, the municipality has its safety and security personnel placed on full time basis. There is also visible policing in all major towns within the municipality. The Safety and Security Department ensures that traffic by laws are enforced. This is done in conjunction with the Provincial Safety and Security Department.

The provincial planning standards suggest that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017. It fully addresses the national safety objectives and to further

3.15 Key Findings

- Walking long distances to access these facilities
- Due to steep topography, most communities do not access such facilities
- There are no 24-hour health care facilities
- No appropriate and sufficient medication available
- Insufficient Health care practitioners resulting in people turned back
- Some current facilities are dilapidated
- The demarcation by the Health Department poses difficulties to most communities

Below are key findings on the entire situational analysis AND how the municipality has addressed these findings in terms of strategies. (**Refer to table 9**)

- High rate of income and wealth inequality;
- High poverty levels;
- High crime rate;
- Urbanisation challenge with RNM being urban centre of the district; nm
- High number of child/female and elderly headed families;
- High Dependency ratio;
- Urban biased development
- High unemployment rate amongst the youth; and,
- Backlog on basic services and infrastructure.



SECTION D: THE 6 NATIONAL KEY PERFORMANCE AREAS ANALYSIS

4.1 LOCAL ECONOMIC DEVELOPMENT ANALYSIS

Introduction

The South African legislative framework envisages South Africa being a developmental state and as a result its local government sector also being positioned to be a critical element of the developmental state. The National Development Plan makes a case for this focus arguing that it is fundamental to ensure social cohesion. In other words, the social stability of the country is at risk unless there is some meaningful transformation and growth of the economy. Ray Nkonyeni Municipality respects this mandate recognizing the nobility of its objectives. The municipality is mandated by law to develop a Local Economic Development Strategy to support the development of sustainable, robust and inclusive local economies through the exploitation of local opportunities, potential and competitive advantages as well as addressing local needs and contributing to Provincial and National development objectives.

The processes of planning and implementation of development programs to create a platform for economic development throughout the country remains a challenge. Part of the challenge, is the ongoing quest by the three spheres of government to find innovative ways to align strategies and report key planning programs and project based information in a meaningful manner to one another. Furthermore, the increasing pressure on the economy to create jobs and the seeming failure of government macro-economic policy to address unemployment and inequality further exacerbate the problem for government.

Ray Nkonyeni municipality has strong relations with the Department of rural development, Department of Economic Development, SALGA, South Coast Tourism, SMMEs, Coops, Business people and Department of agriculture. Communities are represented by Stakeholders. The municipality has an active. The mentioned sector Departments and stakeholders form the LED Forum.

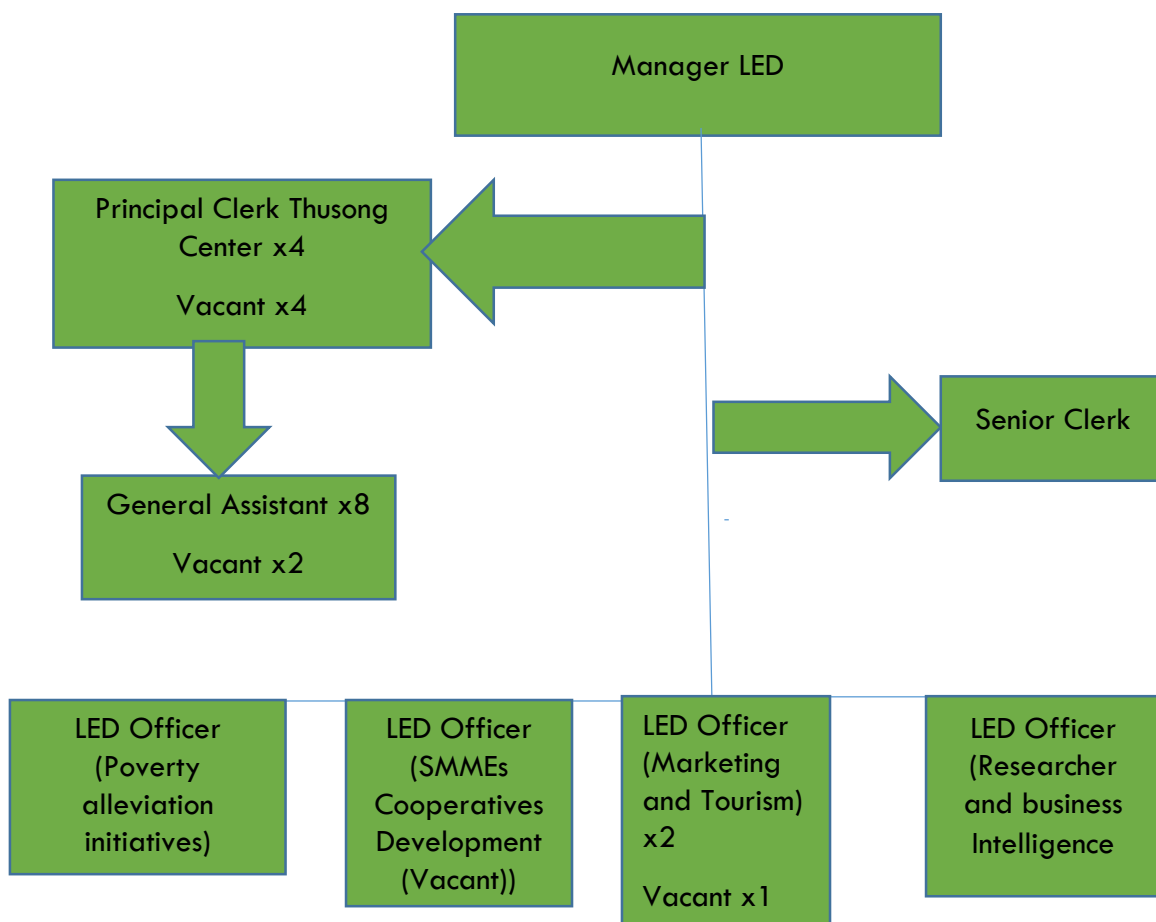
Ray Nkonyeni Municipality has an operational budget of R10M and has received a sum of R1.5M from the Government to facilitate mentoring and business coaching for SMMEs.

4.1.1 LED Unit Organogram

The LED programme is best implemented by specialists in individual sub-sectors. The trend Nationally seeks to suggest that by having specialists from various sectors of the economy, leading and implementing LED programmes is likely to see efficiency and productivity, therefore as it is, lack of industry specialists within the LED Unit is seen as a challenge.



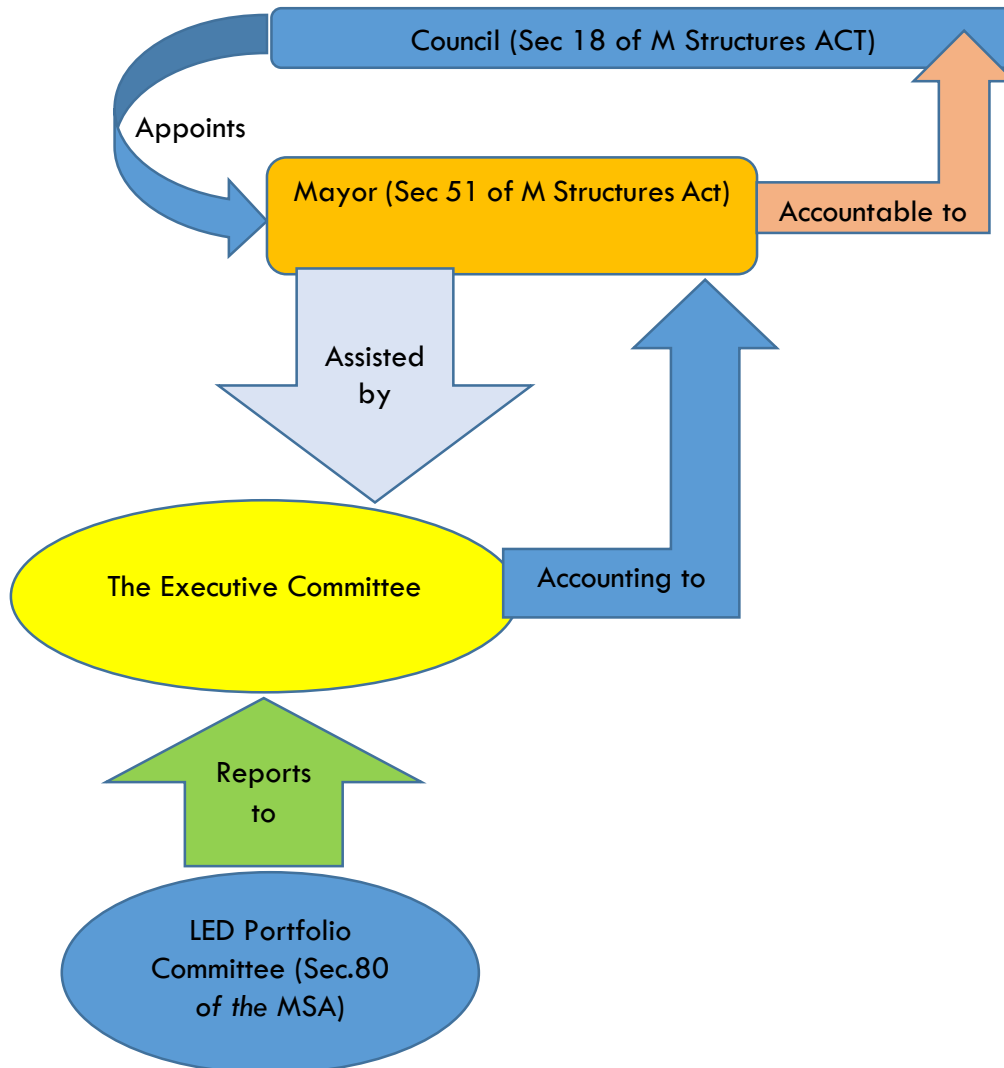
Below is the LED unit's organogram as adopted by Council in 2020





Below are the stages showing the hierarchy of reporting by the LED Unit within RNM.

Illustration: LED Hierarchy of reporting



4.1.2 Led Strategy (For details, refer to the Strategy no.4 attached)

Ray Nkonyeni Municipality has an LED strategy, prepared jointly with a Service Provider appointed to facilitate the discussions. The Strategy was adopted by Council in April 2018 and has aligned with the Ugu District Municipality's Growth and Development Strategy. Services of a consultant were outsourced to review the strategy. This was due to the fact that the municipality is a new entity, and there was so much in terms of information collection and summaries that needed to be covered. Proper processes in terms of consultations were followed communities were engaged and other sector departments' inputs were utilised.

Local economic development is one of the municipality's priorities in line with the national key priorities. Strategies have been developed to promote economic and social development aiming to provide job opportunities and reduce the poverty levels. Generally, RNM Is the most concentrated economic hub within Ugu District with the main economic sectors being tourism and agriculture with some manufacturing occurring in Port Shepstone. As an economic hub,



RNM has an advantage of influencing the Ugu Region's economic potential, policies and development programs. Port Shepstone is the major economic hub in the south coast and serves as the administrative centre for both RNM and Ugu District.

RNM's LED is intended to maximize the economic potential of the municipality and to enhance the resilience of the macro- economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. As such, the need for an LED Plan in the Municipality goes beyond meeting the constitutional and legal obligations, and encompasses the practical implementation programs designed to stimulate economic development, economic transformation and social upliftment.

The LED Strategy does indicate support measures required to uplift the informal economy. This is inclusive of specific projects and programmes that need to be conducted. Again, perhaps the review will afford the municipality an opportunity to revise some of the measures. A detailed report is outlined later in the document.

An internal review of the LED Strategy will be done during 2020/2021 financial year in order to ensure that it is aligned with the 2018-2028 National LED Framework, PGDP and DGDP amongst other strategic documents. It needs to be noted that our LED Strategy was approved and adopted before the National LED Framework review was finalized.

The LED strategy addresses the following:

- Grow the economy of the municipality by attracting investments and fostering partnerships with the public private sector
- Create a conducive environment for businesses and cooperatives to thrive and ensure the creation of jobs for the local community
- Promote township and rural development through nodal developments
- Promote RNM as a prime tourism and investment destination
- Promote local economic development and the support of emerging enterprises and SMMEs as well as Micro Enterprises
- Promote strategic and transformative release of land to foster inclusive economic development
- Accelerate fight against poverty and prioritize support to vulnerable groups such as children, females and the elderly
- Promote sustainable livelihoods
- Promote pro-poor economic growth and lessen social and income inequalities
- Supports the Informal Economy (Detailed below)
- Addresses the Green Economy

During the formulation of the LED Strategy, all key Stakeholders from business, academia, government and civil society were identified. Further through the quarterly LED Forums, all stakeholders continuously participate in shaping LED matters. Inputs from Stakeholders including that of the MEC annually were factored into the Strategy

In essence, the LED Strategy for Ray Nkonyeni municipality seeks to seize the opportunities the environment and its people presents. It reflects learning from other municipalities as a means to avoid common mistakes, and reposition the area on a sustainable economic development path as per the PGDP and DGDP. This includes removing blockages and obstacles, identifying



economic development opportunities, area marketing and promotion, and providing support (technical and otherwise) to local businesses.

The National Framework for LED in South Africa (2006 to 2011) directs that a credible approach to LED in any municipality should include a commitment to invest in the capacity of a municipality to manage its affairs in a manner that inspires confidence to both its constituents and the private sector. It must also provide signposting for domestic and external investors, indicating on the basis of objective and empirical analysis, where opportunities for growth lie.

RNMs Economic Development Strategy serves as a refinement of the municipal strategic intent outlined in the IDP and a consolidation of local municipalities' economic development vision into a coordinated and integrated regional development plan. RNM as 'the economic engine room' of the lower south coast has goals that talk to:

- Infrastructure development
- Functional linkages
- Entrepreneurship
- Job Creation
- SMME Support
- Rural Development
- Tourism development
- Innovation and ICT
- Integrated Development

Below are policies/plans in the LED of the municipality

- **Informal Economy Policy**

There is an Informal Economy Policy in place and was reviewed and adopted in 2017. The policy looks at regulating (permits, zoning) for street vendors. Further more, the municipality has gazette informal trading By-Laws which further aid the implementation of the informal trading policy. The survey of the Informal Trading sector within Ray Nkonyeni Municipality, which was done in 2017, revealed that the majority of traders had chosen to engage in informal trading as a result unemployment. This indicates the significant role that Informal Trading plays in absorbing the unemployed. Also significant was the fact that majority of the traders were female; this form of business activity is increasing because of its flexible working hours as well as the opportunity it provides for additional income generation for the poor.

- **Investment/Retention Policy**

The municipality has developed and adopted an Investment Attraction Strategy, which is a five year strategy. The policy is a tool that promotes the municipality as a preferred investment and trade location through marketing the competitive advantages in the area. The policy is in line with the strategic framework for investment in the country and the KZN Province in general. To mention just a few, the strategy details how the municipality will:

- Frequent visits to investors
- Take a pro- active, not reactive approach
- Focus on company growth and maximize opportunities
- Involve high level client engagement
- Assist with export/trade promotion
- Assist with expansion of business



- Encourage and support the development of new, upgrade higher value added products and services of strategic value to the firm networks
- Customer care for day to
- Provincial Spatial Economic Development Strategy
- **Investment Attraction Strategy**

However, given the changing environment, the municipality adopted an Investment Attraction Strategy which was adopted by Council in April 2018. The municipality then approved the Investment Protocol which guides investment processes within the municipality. The municipality has recently (March 2019) approved the Investment Prospectus which seeks to showcase the investment opportunities that exist within the municipality. To aid the implementation of the Investment Attraction Strategy, the municipality is currently reviewing the Investment Incentives Policy which will be approved by Council in June 2019.

The Provincial Spatial Economic Development Strategy (PSEDS) identifies Port Shepstone as a Secondary Node in the provincial context and the eThekweni –Ugu Corridor as a primary corridor. This corridor is at the same level as the extremely strong and growing eThekweni–Umhlatuze and eThekweni–Msunduzi Corridors. PSEDS confirms the tourism potential of the South Coast Region as established in the Provincial Tourism Strategy.

4.4 LED Forum

The LED Forum sits once a quarter to deliberate on local economic development issues and is chaired by a councilor. The Forum facilitates an inclusive local economic development as to ensure that the local economy grows and in the process creates jobs, particularly for the previously disadvantaged groups

It must be mentioned that the AG did not raise any issues pertaining the LED, hence there is no action plan in place to address any issues that might have been raised. Ray Nkonyeni Municipality's LED fully adheres to the PGDS as well as the DGDP, (***refer to the LED Strategy No. 4 attached***).

4.1.3 Economic drivers within the municipality

In response to identifying the potential economic sectors where jobs can be created, the Municipality's LED does mention that all sectors have the potential for further creation of employment opportunities. However, what is needed is a thorough analysis, which is research backed for each and every sector. Once that is done, it should be clearer which sector promises a better return in terms of job creation.

Addressing fundamental LED issues requires the municipality to adopt a strategy for the local economy. During the analysis, the performance of each sector was done. It was noted that the value rich Macadamia nut industry was taking over rapidly replacing the sugar cane industry. Further, as per the National norm, the tourism industry has been resilient despite the economic challenges. The Tourism industry continues to be a pillar of strength for the local economy, which is further assisting other industries, for an example, the retail industry is continuously benefiting from the tourism industry. The Economic Sectors are continuously engaged through the quarterly LED Forums and other Adhoc forums in order to continuously shape LED matters and contribute to enhancing the LED programme within the municipality. The municipality further participates in the Growth Coalition Programme which is being implemented across all districts and the Metro in KZN. RNM as a secondary is also implementing and participating as the municipality.



4.1.4 Economic Sectors include the following:

- Tourism (Coastal strip) major potential in rural areas)
- Agriculture (vast arable land in rural areas)
- Manufacturing (Marburg)
- Mining/ quarrying

i. Agriculture

The agricultural sector that was once dominant in the hinterland in terms of both employment and investment has lost its competitiveness. Commercial agriculture is dominated by two agricultural commodities, largely sugarcane and timber. Both these commodities are impacted by international competition. Sugar cane is impacted by the relative unsuitability of the local climate, that is, the distance from the equator in comparison to other international production areas. The restrained and non-formalised support for additional demand drivers in the sector like renewable energy production at the mills and other by-products equates to constraints demand growth for domestic growers. There is also limited tariff protection for local production; the uncertainties around land tenure and the labour input costs are rising faster relative to other international producers and increases risk factors for the sector.

The municipality has three types of sectors, namely, primary, secondary and transport sectors.

Primary sector (Commercial Agriculture)

Agriculture is the second largest followed by financial sector within the municipality. The most significant shift in the economic profile of the municipality has been the decline of the primary sector giving way to the tertiary sector that is now the leading sector. This is due to recent reports outlining that agriculture has declined to a point where KZN as a whole has become effectively a net importer of agricultural products. This has affected the municipality in terms of its GDP Nationally. This clearly points to the diminishing agricultural production and food security. Commodities that are directly linked to the primary sector commodities, i.e. timber manufacturing are experiencing decline. Food, beverages and tobacco are the biggest contributors of employment in manufacturing in the province.

The range of agricultural products points to the great agricultural potential of this region, attributed to good climate conditions, soil potential and the entrepreneurial spirit of the people. Following are some of the outstanding features of the agricultural sector at RNM and these are practiced at a large scale more especially along the coastal belt:

- A fifth of all bananas eaten in South Africa are produced here;
- Sugar cane growing and milling has taken place in the region since the 1890s;
- A range of niche market products, such as cut flowers, nuts and vegetables are also produced here;
- Livestock farming and poultry farming are extensive together with crocodile breeding; and,
- Timber farming sector produces Pine, Gum and wattle which are processed by some saw mills.

a) Subsistence Agriculture

Subsistence farmers within the municipality grow vegetables, dry beans, sweet potatoes and amadumbe. Most of the produce is for home consumption and is mainly practised in the hinterland of the municipality.



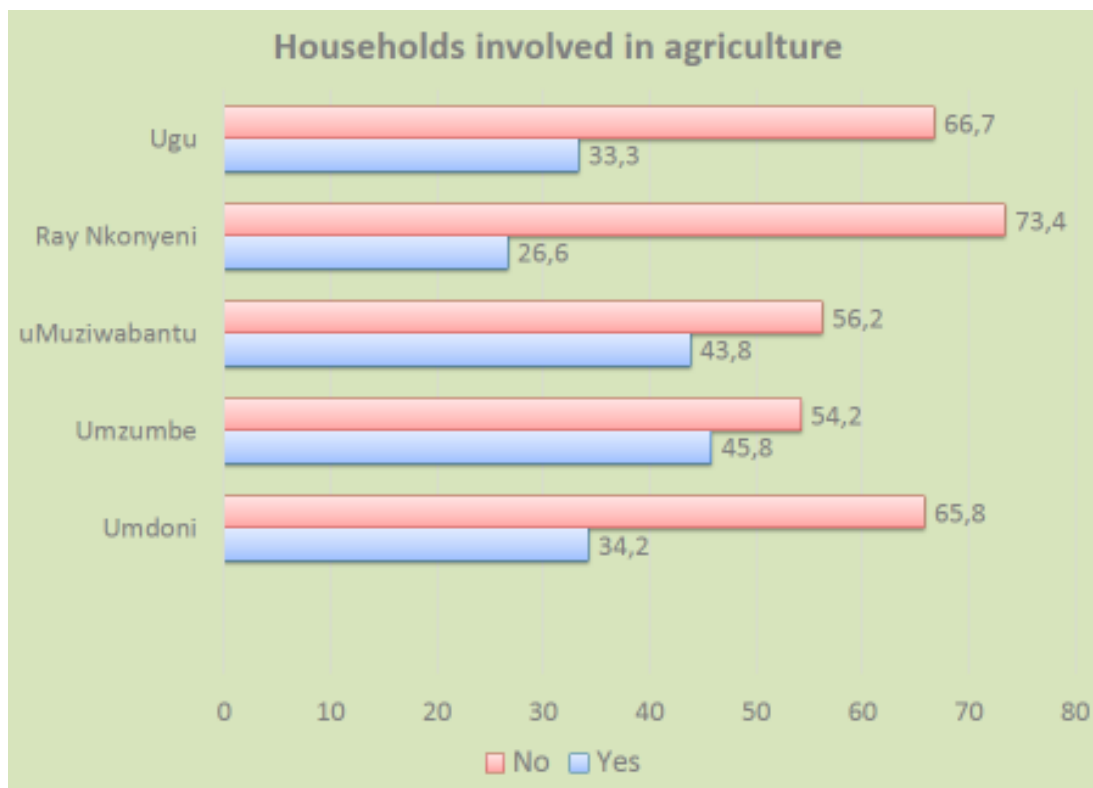
b) Challenges faced by small sugar cane growers

Small sugar cane growers (SSG) farmers in the hinterland faces a number of challenges which includes amongst others, steep topography, no irrigation systems, less mechanisation, poor yields and lack of financial backup. Land is also another challenge as well as their small farm holdings are not fenced. RNM soils are shallow, and this limits plantation as most products need deep soil to enable good growth. A majority of Black farmers do not have codes for their yields at the sugar mills and rely on big sugar cane growers and this has proved to be a failure. Some Black farmers have leased their land for sugar cane growing but end up with next to nothing in terms of profit.

With the current political climate regarding land issues, land ownership and land rights commercial farming is negatively affected. If people are uncertain of their rights, they simply stop to invest in land, as they are unsure of the financial returns they will receive. The pending closure of the Umzimkulu Mill will increase the input costs, as delivery distances to the Sezela mill will increase on average fourfold putting more financial pressure on the inland farming community, as well as on welfare grants that will be needed to counter the loss in income when the mill closes down.

The graph below indicates the number of households engaged in agricultural practices. It is noted that a very small number of households (26.6 %) participate in this practice. Females are the most active participants in subsistence farming. The percentage is practically very little and this is due to the reluctance of households who want to plough.

Graph 13: Households involved in agriculture



Source: Statistics South Africa Community Survey 2016

c) Interventions by the Department of Agriculture and Rural Development



Specific approaches to identifying and secure land for agricultural development should receive attention. The department has taken big strides in assisting and supervising co-operatives within the municipality with a number of projects. Below is a list of small commercial farmers' by co-ops, and it must be noted that these projects have proved a huge success in terms of job creation and poverty alleviation.

Further to assisting with funds to co-ops by proving implements and funding, the Department also issues bursaries to students pursuing agricultural studies. It also promotes Batho Pele principles. The Department has also ensured that other types of farming are practiced such as animal farming, and poultry farming. This is mostly practiced in the hinterland of the municipality.

The Department is also looking at developing a horseshoe farm into an Agripark. Farmers will bring their yields to this point which will be then exported to other parts of the country.

The following projects within the municipality are still awaiting funding;

- Qhubekani Sugar farmers
- Khoshwana Sugar cane growers
- Sinekhono Poultry production (broiler)
- Lavenga Banana farm

The entire Ugu District's commercial agriculture produces 1/5 of all bananas consumed in the country. Export from RNM is growing on tea tree to Australia and macadamia to other countries. The municipality is generally characterized by good potential agricultural land that needs to be preserved for food production. There is mixed agricultural practice. Commercial farming is dominated by sugar cane farms and banana plantations along the coastal strip. Sugarcane and bananas are grown at a large scale while cattle rearing, macadamia nuts and vegetable grow in small holdings. Subsistence farming (maize growing, amadumbe, beans and sweet potatoes) is practiced mainly in the hinterland whereby families grow in small scales for consumption. There is also a small scale growth of sugarcane farming in the interior, practiced mainly by emerging Black farmers. Seasonal rains, steep topography, poor infrastructure and lack of new scientific methods of ploughing are some of the shortfalls these farmers experience. It must be noted that employment is decreasing in the sector due to a number of socio-political factors such as farmers are ageing and the young generation is not very keen on taking up the reins. The issue of land claims also contributes to the degenerating of the sector.

Specific Agricultural Programs

The municipality runs Provincial-driven programmes and projects aimed at assisting emerging farmers. These projects include but not limited to: Agri-Hubs, Agri-Parks whose mandate is to assist emerging farmers to participate in the mainstream agricultural economy. On a smaller scale, the municipality also assists the subsistence farmer, which is inline with the Strategic Focus Area- Agricultural development as outlined in the municipality's LED Strategy.

There are challenges that emerging farmers are encountering and the Department of Agriculture is responding to this by providing seedlings and other working tools to some sectors of farmers for sugar bean growing and vegetable growing. There are also other initiatives the department has in place to address the challenges faced by emerging Farmers as well as Cooperatives. These include :

- Fencing of rural gardens and trainings



- Assisting farmers in exporting their produce to other parts of the country is also another initiative by the department
- Local grown vegetables by cooperatives are supplied to big food chain shops such as Spar and Shoprite Checkers
- Livestock farming is also encouraged where by breeding of cattle and poultry farming programmes are run

To further enhance the growth of the Agricultural sector within the municipality, there are trainings conducted by RNM LED practitioners to farmers on new scientific farming methods. It must be mentioned though that there is a major concern concerning emerging sugar cane growers in terms of limited funds that are there to assist them.

Currently, the municipality has few emerging Black stock farmers. Over the past few years, land has been provided for the farming of moringa plants. Below are programmes that the Department of Agriculture has finalized for the 2019/2020 financial year.

Table 24: Responsive Agricultural Programmes

1. Natural Resource Management.	Norms and standards, GAP ,Soil Classification Assessment reports
2. Land Care	Land & veld rehabilitation, Funding model ,EPWP
3. Crop Production	House hold production ,Commercial production
4. Livestock Production	House hold production, Commercial production and Community investment.
5. Agro-processing and Value Adding	Technical support, Pack sheds, processing plants, tannery, Dry fruit and fruit juice making.
6. Research and Technology Development.	Research committee, do trials, Pathologist, entom specialization etc.
7. Shows/info and marketing days	Form Show society/committee, award prizes
8. Risk and Disaster Management	To be declared. 2% budget from DEPT. to be authorized by treasury to assist according to section 16 of PFMA



There are also food security programs that are in place meant to sustain the livelihoods of our communities

INTERVENTIONS etc.	WHAT IS PLANNED	BUDGET ALLOCATION
COMMUNITY GARDENS	5	R1 495 960,00
HOUSEHOLDS / INSTITUTIONAL GARDEN	32	R 187 790,00
INDIGINEOUS GOATS	3 Sets	R 169 300,00
MUSHROOM	1 project	R 45 500,00
INDIGINEOUS CHICKENS	5 Sets	R 30 045,00
PRODUCTION INPUTS	100ha	R 713 893,00
MECHANIZATION (PLOUGH, DISK, PLANT, SPRAY)	100Ha	R 313 500,00
BIG 5: BOREHOLE	1	R 250 000,00
FRUIT TREES	450	R 67 500,00
GRAND TOTAL		R3 172 488,00

Below are the projects listed above categorised:

Mushroom Project

Local Municipality	Project Name	Ward	Area/ Isigodi	Funding required	Project size	Budget	Progress
Ray Nkonyeni	KwaXolo	8	Bhabhaza	Structure, equipment, inputs	5x10 m	R45 500,00	SCM to appoint Supplier
TOTAL						R45 500,00	



Ilima Tsetsekama

LOCAL MUNICIPALITY	Traditional Council	Ward	INTERVENTION	BUDGET	PROGRESS
Ray Nkonyeni	Xolo, Madlala, Mthimude and Nyuswa	26,34,09	Maize and Dry bean seeds for 1HA 1HH	R385 500,00	Production inputs delivered.
Ray Nkonyeni	Xolo, Madlala, Mthimude and Nyuswa.	26,34,09	Fertilizer	R114 500,00	Awaiting delivery
TOTAL				R 500 000,00	

Fruit trees project

LOCAL MUNICIPALITY	Traditional Council	Ward	INTERVENTION	BUDGET	PROGRESS
Ray Nkonyeni	All	All	450 fruit trees	R67 500.00	SCM to appoint suppliers
TOTAL				R67 500.00	

Big 5 Projects

INFRASTRUCTURE TYPE	AREA	WARD	PROJECT NAME	MEMBERS	BUDGET ALLOCATION	PROGRESS
Borehole	KwaCele	32	Hlalemphakathini Piggery	5	R250 000	Quotation above estimates
TOTAL					R250 000	



Table 25: CASP projects

PROJECT NAME	LOCAL MUNICIPALITY	TRADITIONAL COUNCIL	WARD	BENEFICIARIES	BUDGET	PROGRESS
Simbamabhele	Ray Nkonyeni	Farm	24	2	R1,500,000.00	10 sow unit under construction.
Sinekhono Broiler	Ray Nkonyeni	Xolo	9	5	R1,500,000.00	Awaiting for an order
Cluster maize and beans	Ray Nkonyeni	Xolo, Mthumude, Nyuswa	34, 26,9	73	R500,000.00	Orders received except Fertilizer
Falini Investments	Ray Nkonyeni	Farm	22	1	R250,000.00	EIA Service provider appointed
Lavenga Farm	Ray Nkonyeni	Farm	24	2	R750,000.00	Orders for Banana plants received, awaiting irrigation order
TOTAL					R4 500 000,00	

2019/20 CASP PROJECTS BUDGET PROJECTIONS

PROJECT NAME	Project size	WARD	PROJECT DESCRIPTION	PROGRESS
KMD Essential oil	300Ha	9 & 22	Essential oil	Installed 3 green house nursery, Started planting seedling. Preparing
Sinekhono Broiler	1000 birds	8	Broiler	
Falini Investment	150 sow unit	22	Piggery	

PROJECT NAME	LOCAL MUNICIPALITY	Project size	WARD	BENEFICIARIES	PROJECT DESCRIPTION	EST. BUDGET
Esayidi Tea Tree	Ray Nkonyeni	300Ha	all	112	Tea tree	R2 000 000
River bend Creek Farm	Ray Nkonyeni	20Ha	16	1	Vegetables	R2 850 000
Falini Investment	Ray Nkonyeni	150 sow unit	22	1	Piggery	R 250 000
Sinekhono Broiler	Ray Nkonyeni	1000 birds	8	5	Broiler	R 800 000
TOTAL						R5 050 000



Table 26: Food security projects Summary

Interventions	What is planned (number)	Budget allocation	No. of beneficiaries	No. of jobs created
Multi gardens	12	R3192 000	108	62
House hold gardens	55	R825 000	55	0
Indegenous goats	5	R200 000	5	0
Indegenous chickens	5	R57 350	5	0
Fruit tree	110	R16 500	55	0
Mushrooms	1	R141 000	4	2
Shade houses/tunnels	3	R660 000	5	6
Multiple planting	200ha	R627 000	192	

Below are community gardens in certain parts of the municipality that the Department has assisted with for the current financial year

Table 27: Community gardens

Project Name	Traditional Council	Ward	Project Type	Project size	No.of participants	Budget	Progress
Xosoje	Xolo	32	Irrigation	1.6ha 0.534km	5	R214 080 00	Waiting for order no.
Senzokuhle	Cele	33	Irrigation inputs	2ha	15	50 000	Qoatation stage
Lynwood	Private Farm	21	Irrigation inputs	5ha	1	R404 000	99% irrigation completed
Qedindlala	Mavundla	26	Irrigation inputs	3ha	18	R414 880	Fencing completed
Lion Groove	Farm	17	Irrigation inputs	5ha	1	412 000	Service Provider appointed
TOTAL						R1495 960	



The department further works along side the municipality in ensuring that household gardens thrive. The rationale behind this initiative is to ensure that each household has a garden to improve their livelihoods and combat poverty. Below are the number of community gardens:

Local Municipality	Number of Projects	Project Type	Project size	No. of participants	Budget	PROGRESS
Ray Nkonyeni	32	Fencing, tools & inputs	0.32ha	32	R187 790,51	Awaiting for fencing material order. Water tanks delivered.
TOTAL					R 187 790,51	

The department of Agriculture does not invest in commercial agriculture only, but on livestock agriculture as well. Projects that have been budgeted for include indigenous goat and indigenous chicken farming. These products are practiced at a medium scale and produce is sold to local retailers.

Table 28: Indigenous goat farming project

Local Municipality	Number of households	Project Type	Project size	No. of participants	Budget
Ray Nkonyeni	3	Structure and Goats	1:5	3	R42 325,00
TOTAL					R42 325,00

Indigenous chicken farming project

Local Municipality	Number of Projects	Funding required	Project size	No. of participants	Budget
Ray Nkonyeni	5	Structure, Indigenous chicken, Feed	10x5	5	R30 045,50
TOTAL					R30 045,50



2019/20 MECHANIZATION SERVICES

PROJECT	INTERVENTION	Ha	PROGRESS
Mechanization service	Arable land preparation: <ul style="list-style-type: none"> • Ploughing/Ripping • Dicing • Planting • Spraying 	336	Assited farmers on land preparation to plant maize, beans, vegetables and tea tree.

There is a very healthy partnership between the municipality and the Department of Agriculture and Rural Development. The department of Agriculture within Ray Nkonyeni is committed to ensuring that there is enough food security and communities are equipped with the necessary tools and knowledge pertaining matters of the soil. It is further committed into ensuring that programmes and projects are implemented so as to ensure that it fully aligns to the DGDP as well as the PGDP. It is committed into ensuring that it fully aligns with both the SONA and SOPA of 2019 where by it is stated that communities should have enough food surplus by participating in agricultural programmes for sustainability. Operation Sukuma Sakhe, One house one Garden amongst many projects, the municipality is proud to announce that these are effectively rolled out. Further more, the Department is committed into ensuring that the programmes running, the youth hasve been prioritized into ensuring that they participate. The strides department has made into ensuring that the small black emerging farmers do receive assistance in the form of funding, must be acknowledged .There are also challenges that affect the derpatment,but are being minimized to ensure good yields are produced. These include:

- Bird flu
- Banana bunch top virus
- Fall army work
- Foot and mouth disease

ii. Secondary Sector (Manufacturing and retail)

Manufacturing and retail sectors are main industry of employment within the municipality. Mining and quarrying is the lowest industry. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate suggesting that this area should receive some prominence in terms of future industrial sector planning. The formal manufacturing sector is limited to the coastal strip and primarily the Marburg and Margate areas. It is not envisaged that the formal large scale manufacturing sector will expand into the rural areas (although development at Izotsha would provide easier access to job opportunities to the rural workforce).

The secondary sector is fairly stable in both employment and investment terms. Contribution to the municipal economy per sector is as follows:

- Whole sale and retail 18.7 %



- Finance and Business Services 21.5%
- Manufacturing 12,3%
- General Government Services 13.3%
- Agriculture and Forestry 8.9%
- Transport and communication 8,9%

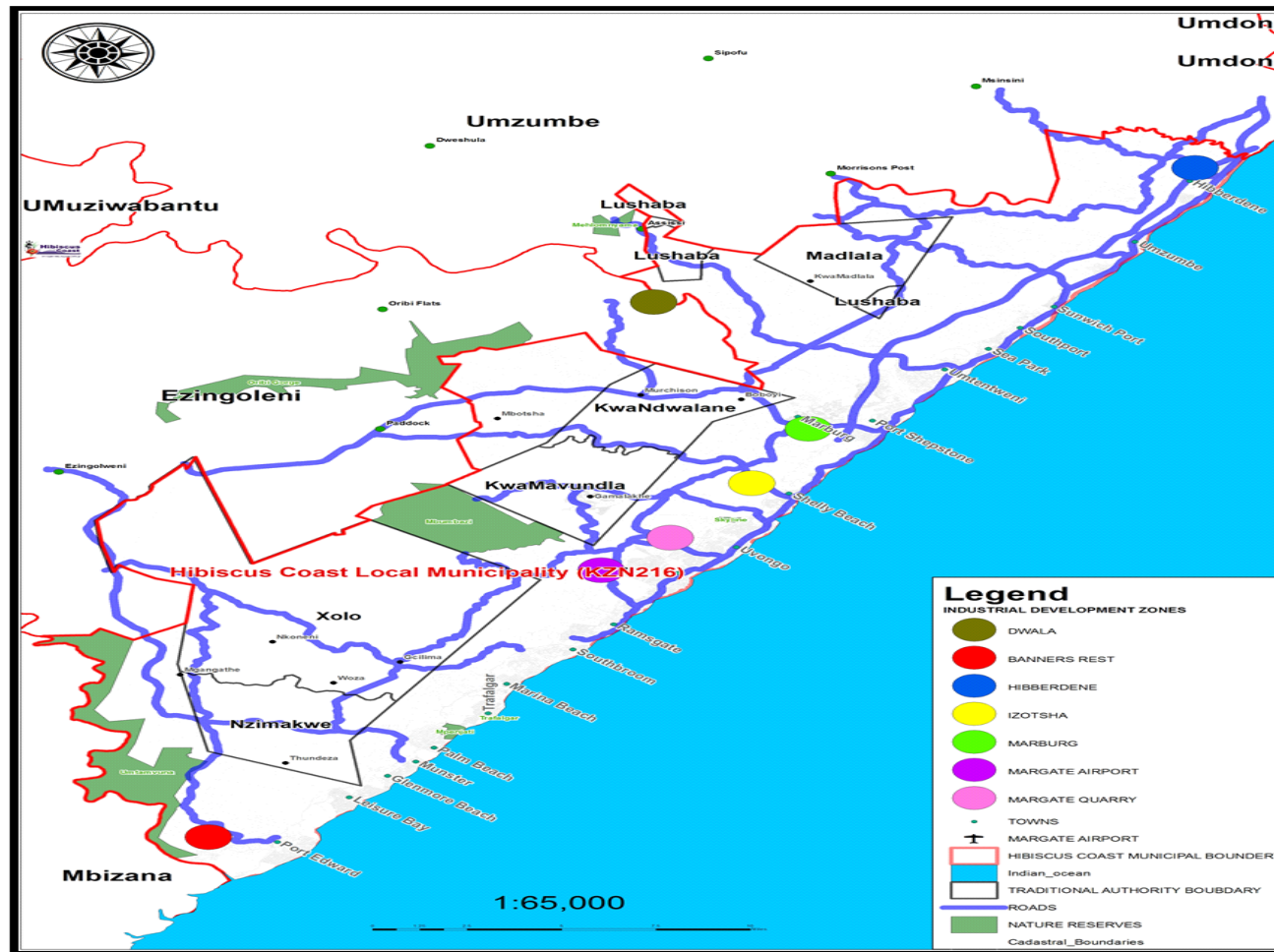
Table 29: Industrial areas

Area	Basic Description	Type of industry
Marburg Industrial	This is the only major industrial zone in the District. It has been developed on the N2 to the south-west of the Port Shepstone CBD. The land is not flat, but the topography is reasonable for industrial development. A large variety of manufacturing and service sector businesses are located in the area.	Most industrial sectors are represented in the area. Furniture, textile and clothing and food seem to dominate. Sizes range from small service industries to major plants.
Margate Quarry Industry	The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land	The number of concrete block, brick and molded concrete block manufacturers benefiting from the location in relation to the Quarry is clearly noticeable. Furniture manufacturers and a church are also housed in industrial buildings.
Margate Airport Industrial	This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries	Construction related and furniture manufacturing firms are located in the area.
National Portland and Idwala Carbonates (KULU)	This industrial area is located on the Eastern side of the N2 as you pass Marburg up North.	Mining Industry

The map on the following page shows industrial areas within RNM as indicated in the above table. It must be noted that all industrial areas are within former HCM, hence the map below.



Map 6: Industrial Development Zones



Source: Statistics South Africa Community Survey 2016



ii. Tourism

The Municipality has an established and stable tourism sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few.

Consequently, more than 67% of the tourist attractions in the Ugu District are located in Ray Nkonyeni Municipality. Tourism is one of the key economic drivers in the municipality. The entire coast line of the Municipality is a primary attraction and the Tourism KwaZulu-Natal website lists no fewer than 29 beaches for this part of the Province. A series of coastal villages each with its own character and interspersed by beaches, rocky coves, tidal pools and lagoons set amongst indigenous bushes are the main features of the municipality. It is viewed by some as just a popular holiday destination for domestic tourists, but it is also a preferred retirement location for many people.

In terms of job opportunities, tourism within the municipality has provided plenty of jobs. There are, for example, hotels that have been recently opened to the public, namely Mthunzi Hotel in Ntentweni outside Port Shepstone and Desroches Hotel in Margate. Other tourism attractions such as tour guides, scuba diving and sea trips have too provided employment as well. Since the South Coast is viewed as a holiday destination attraction, there are many accommodation outlets that have provided plenty of jobs.

i. Events Tourism

Popular events such as the Margate Air Show, the Lions South Coast Show and the Ugu Jazz Festival all now form part of the Sardine Festival. These events take place once a year in different seasons. The sardine Festival comprises of many events such as the Golf Challenges. Golf Tourism is probably the second largest tourism product on offer in the municipality and the South Coast is also branded as the Golf Coast of South Africa. This is due to a comprehensive selection of 11 (nine 18-hole and two nine hole) golf courses situated in the southern part of the municipality, at San Lameer. The event is held annually and the Mayor of RNM graces it. This event includes a women's tournament and attracts international players. Three of these courses are rated amongst the top ten courses in the country. Also, the municipality has added another category where by young school going girls from disadvantaged communities are invited yearly to participate in a mini golf tournament. This is aimed at both promoting the sport and teaching the girls the sports' skills. Popular annual events that take place during other periods include the:

- South Coast Bike Festival
- Hibberdene Couta Classic Fishing competition
- The Port Edward Ski Boat Festival
- SA Women Open (European Ladies Tour)
- Ugu Jazz and Arts Festival
- RNM Ultra Marathon
- State of Inland Tourism

Tourism activities inland is only concentrated along the Oribi Gorge corridor with few product owners taking the lead. Observations from within the sector indicate that there is substantial work to be done if the sector is going to deliver any level of growth beyond the Oribi Gorge corridor. The Oribi Gorge in the eastern part of the municipality provides better organised, marketed and committed products. There is general limited comparative advantage beyond the Oribi Gorge.



The Shobashobane Heritage project is yet to be conceptualised to become one of the tourism icons on the south coast. This may improve cultural tourism, eco-tourism and community based tourism for most areas of the municipality..

The following inland rural tourism will respond to the pressures for economic development and job creation and sustainable livelihood. These developments will provide jobs such as tour guides and transport provision.

- Gamalakhe Heritage Park
- Nyandezulu Route
- KwaNzimakwe Rout

Beaches

South Africa currently has 36 accredited BlueFlag Beaches and therefore Ray Nkonyeni municipality claims almost a quarter of all blue flags in the country.



Margate Beach

The municipality has a total of 21 beaches which are classified as swimming beaches. Out of the 21, a total of 07 are accredited Blue flag Beaches status.

The following municipal beaches have the world renowned Blue Flag status:

- Hibberdene Beach
- South Port Beach
- Umzumbe Beach
- Lucien Beach
- Ramsgate Beach
- Marina Beach
- Trafalgar Beach



The municipal beaches offer an ultimate beach holiday destination with all year round friendly weather even during winter months. All the beaches offer a safe swimming environment with shark nets, which are serviced regularly by the Natal Sharks Board personnel and in addition life guards are on duty at swimming beaches and in peak holiday periods. In addition to this, surfers can indulge their passion to find that perfect wave while patient fishermen are sure to take home a fine catch. The municipality has partnered with the Natal Sharks Board in ensuring that bylaws are implemented at all its beaches and that the municipality plays an active role in ensuring that the status of the beaches is at its best and security personnel visible.

i. Historical / Nature / Mission Tourism

The municipal area has numerous historical, religious and cultural assets that have potential to be further developed as tourism products. There is a proposal for the KwaXolo Caves Project aimed at attracting tourists to the area. Another important draw card for tourist visiting the area is the natural environment the municipality has. There is a next ensivearray of botanical features and wilderness areas attracting visitors for bird watching, hiking, walking, picnics and other related outdoor activities. There are two existing conservation areas within the municipal area, namely, Umtamvuna Nature Reserve and Trafalgar Marine Reserve. There are however approximately nine declared and protected nature reserves of which the majority falls under management of Ezemvelo KZN Wildlife.

The municipality has various religious assets such as the Albersville Community Church in Port Shepstone that was built in 1959, The Assisi Convert that was built in 1922 and was named in honor of St Francis from Italy; the German Church in Port Shepstone that was built by early German immigrants; The Norwegian Church in Port Shepstone that was built by early Norwegian immigrants, most whom arrived in the area during the 1880's; and the Enxolobeni CP School that is built in the area which used to be the American Board Mission. The mission house and the associated graveyard are still in the area.

ii. Accommodation and competitive advantages

The major concentration of tourism accommodation is in Margate (16%), Ramsgate (10%), Uvongo (9%), Shelley Beach (8%) areas, but areas such as Port Edward, Oribi and Hiberdene make a substantial contribution. All these places are found along the coastal strip except for Oribi which is situated about 45 km into the hinterland.

The implementations of the Port Shepstone Beach Front as well as tourism and eco- tourism development are areas identified as growth potential tourism. Tourism products have been developed over many years and the area is one of the Premier tourism destinations in KwaZulu-Natal. The list of competitive advantages includes:

- Blue Flag Beaches
- Wild life conservation with Ezemvelo reserves
- Major events such as Ugu Jazz Arts Festival, SA Women Open (European Ladies Tour), Africa Bike Week, Maidens Ceremony at KwaNyuswa. Beach Festival and Easter Adrenalin;
- Sea and water events
- Operating airport with OR Tambo/Margate route
- Historical, Religious and cultural assets which provide opportunities
- Sports and adventure tourism including golf and other sport codes
- Golf estates



- Competitively priced accommodation

iii. Manufacturing

Manufacturing and retail sectors are main industry of employment within the municipality. Although 60% of manufacturing businesses are located in the Port Shepstone/Marburg industrial area, it is important to note that a third of the manufacturing businesses also relate to Margate. Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has result in making very little impact in regional economies.

The Marburg Industrial Complex has shown that it is not sufficient as some Manufacturing Business has relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses.

Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. The municipality has identified land along Izontsha Corridor and Hibberdene and Margate for future industrial development.

Margate Airport Industrial Park. This industrial area is located on the northern end of the runway of the Margate airport. It is located on relatively flat land. The area is home to only a handful of industries.

iii. Transport Sector

The transport sector fulfils an important role in the development of RNM. This sector has a number of distinct components for consideration in future economic development planning for municipality. The key components are:

- Air transport
- Road freight transport

The location of the municipality along N2, proximity to the city of Durban, operational airport with functional route to OR Tambo International Airport and other parts of SA and railway infrastructure (though currently only used for cargo) augers well for accessibility of the municipality.

ii. Mining/ quarrying

The industrial area is located close to the entrance to the NPC Quarry immediately to the west of the N2 as you approach the Margate turnoff from Durban. The area is separated from neighboring developments either by the N2 or vacant land.

National Portland and Idwala Carbonates (KULU) :This industrial area is located on the Eastern side of the N2 as you pass Marburg up North

4.1.5 Property Market

Many people find the coastal belt of the municipality very attractive due to its beautiful scenery and beaches. Properties found along this area are both privately owned as well a municipality owned. Part of the capital generated by the municipality comes from these rented properties. Most properties are rented out during the peak season, which is November to January where most people take vacations. Due to the active residential and business development of property taking place in the municipality, there are plenty job opportunities as well.



There is a booming residential developments along the coast even though in recent years developers were finding it difficult to sell existing developments. The number of properties on the market, however, is starting to rise. Some developers have voiced concerns in terms of slow sales due to traffic congestion on the Marine drive between Shelly Center and Margate during peak holiday periods and the fact that a number of people see the image of the South Coast as a retirement area and see no point in investing. Attraction of further government services and offices into the municipality has potential to stimulate residential and office markets.

4.1.6 Local Economy SWOT Analysis

There are a number of advantages and disadvantages that impact upon the current economic initiatives and its development within Ray Nkonyeni Municipality. These have been highlighted in a number of preceding reports that have been produced such as the Integrated Development Plan (IDP), The Spatial Development Framework etc. This includes some of the challenges that need to be addressed and opportunities, which need to be undertaken advantage off. The following represents a SWOT analysis, which assesses these favourable and unfavourable issues in the context of developing Ray Nkonyeni Municipality as an economically functional Municipality. These can be outlined as follows:

Table 30: SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✚ The Municipality boasts vast lands of relatively good agricultural potential. ✚ The Municipality generally has a well-established agricultural sector which produces a diverse range of products (Vegetables, Nuts, Sugar Cane, Livestock, Poultry and some speciality products such as the moringa plant and freshly cut flowers), the sector also caters for a range of markets; some of the products produced in the Municipality are exported to international markets. ✚ The timber plantations and cane farming of the RNM are some of the largest of the commercial agricultural enterprises of the province. These enterprises constitute the pillars of the agriculture sector of the RNM. ✚ Ray Nkonyeni Municipality is the regional economic powerhouse of the UGU District Municipality, with more than 75% of the UGU District Municipality's registered businesses located in the Municipality; this puts the Municipality in position to shape 	<ul style="list-style-type: none"> ✚ The Municipality's agricultural sector faces many constraints such as, decreasing investment, rising production costs, a change of land use from agriculture to other land uses. Climate change poses a significant risk to the agricultural sector, primarily linked to increased rainfall variability and water security. ✚ The Milling companies within the District are currently operating at full capacity and have experienced some disruptions in their operations due to water shortages and this is a cause for concern for the sugar cane producers. ✚ There is limited land and very little technical, financial and business support for emerging farmers in the Municipality. ✚ International competition may cause some farming enterprises to experience pressure. ✚ The infrastructure in the Marburg Industrial Complex was laid many decades ago and may not be able to handle large, new and technologically advanced industrial development that the Municipality wishes to attract. ✚ There a very few sites which are readily available and serviced for large



<p>the economy of the District and make an impact in the provincial economy.</p> <ul style="list-style-type: none"> ✚ The Municipality has a long established, traditional industrial complex which is recognised provincially, similar traditional industrial complexes can be found in Mandeni, Ladysmith, Newcastle and Richards Bay. ✚ The Municipality is recognised provincially as a secondary city; this means both public and private sector investment must look to the Municipality as one of the priority investment areas in the province. ✚ The Municipality has an established and stable tourism sector and is among the most visited tourism destination in the province and boast a range attributes such as a favourable climate, key natural and heritage assests, conservation sites, a range of tourism products, accommodation, swimming and blue fag, beaches and events just to mention a few. ✚ Political Stability ✚ Blue Flag Beaches 	<p>infrastructure development, as envisaged in the LED Strategy.</p> <ul style="list-style-type: none"> ✚ Whilst the Municipality has some large flagship firms in the Manufacturing sector, they often work independently and this has result in making very little impact in regional economies. ✚ Infrastructure maintenance and provision of new infrastructure for business (water, electricity, roads, storm water ect) has been lagging behind and this must be rectified in order to achieve investor confidence. ✚ The Manufacturing, Commercial and to some extent tourism sectors are still urban biased and there is little evidence of these economic sectors have presence in the rural areas of the Municipality, particularly in Traditional Authority Areas ✚ Inadequate packaged development land ✚ Capacity Gap in LED section ✚ Inadequate support for the business sector
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ✚ Agri-Tourism: The Municipality has both agriculture and tourism as key sectors and this presents an opportunity for the establishment of agri-tourism enterprises, it must be noted there are many existing Agri-tourism enterprises already in existence in the Municipality which set precedence for new agri-tourism businesses ✚ Proposed UGU Agri-Park: The Municipality does not have a well-established, regional processing facility for agricultural products and the establishment of the Agri Park in Ezinqoleni will provide an opportunity for all famers to access processing opportunities' ✚ Diversification of tourism products, the Municipality is a 	<ul style="list-style-type: none"> ✚ Macro-economic instability ✚ Poor reliability in infrastructure provision(water, electricity) ✚ Pollution of the beaches



tourism magnet, yet has a very tight competition in the form of Zululand, the Elephant Coast and others, especially when it comes to foreign tourism, this is because these areas have game reserves and the Municipality, albeit at a District and even in Partnership with Neighbouring Municipalities, must explore the establishment of a Game Reserve.

- ✚ Township and rural tourism is another sub-sector of the Tourism sector which present an opportunity for new establishments. The LED proposes that township and rural tourism be facilitated as the Municipality has a lot to offer in this regard.
- ✚ The Marburg Industrial Complex has shown that it is not sufficient as some Manufacturing Business has relocated to what is now known as Izotsha Corridor, clearly the Municipality needs to formulate an Industrial Development Plan which will demarcate industrial zones within the Municipality to avoid haphazard relocation of manufacturing businesses
- ✚ The Municipality is well positioned to take advantage a number of key strategic government programmes, it has been identified as one of the Municipalities to implement the operation Phakisa Programme, key catalytic projects and is one of the key regional economies of the province thereby attracting national and provincial infrastructure programmes.
- ✚ Opportunity for SMME activity on beaches.
The Emerging Film making industry
- ✚ Aquaculture programmes
- ✚ Operation Phakisa opportunities



4.1.7 Food Security

Food security is one of the major challenges the municipality faces. Communities have been encouraged to have community gardens as well as one house one garden, where they grow food for consumption. The Department of Agriculture is currently making provision of seedlings to communities. The LED unit also assists communities in this regard. The PGDP 2015 states that there should be a safe guarding and enhancement of sustainable livelihoods and food security. Ray Nkonyeni Municipality is in line with this objective through its various food flagship programmes.

4.1.7.1 One Home One Garden

The One home One Garden campaign has been successfully implemented in the entire municipality. The campaign is to initiate an integrated approach to food security demonstrating in practice the principle of coordinated government service delivery with respect to addressing the most vulnerable within the municipality. Currently the municipality does not have specific economic programmes targeting the vulnerable groups, however, the LED focuses on everyone irrespective of gender, race and creed. However, these groups' needs are addressed under the Special Programmes Unit and the Youth section Unit within the municipality.

One home one garden campaign is a key aspect of RNM food security. Health issues cannot be addressed if poverty is not vigorously tackled as it is a major driver of the diseases and it a known fact that the biggest enemy of health in the developing countries is poverty. The objective of the municipality is to reduce the percentage of households that have gone hungry. According to the National Development Plan on human development report, poverty and hunger must be eradicated.

This is line with RNM policies on this issue, thus the one home one garden programme was implemented and is very successful judging by the number of households with gardens.

- Any effective food security campaign should:
- Improve agricultural production
- Improve food diversification
- An improved household well being
- Improved food utilization and health status of target group



EPWP Team

4.1.8 Poverty Alleviation Projects

Ray Nkonyeni Municipality has a dedicated Extended Public Works Programme (EPWP) unit which falls under the Community Services Department. The unit ensures that the running of the EPWP is effective. Extended Public Works Programme Policy is in place, adopted in 2017 (see *attachment no. 6*) and reviewed annually. In line with the National directive, the municipality has approved the EPWP Phase 3 aligned policy, which details targets that the municipality is required to achieve in terms of EPWP. Currently, the municipality has secured 177 jobs.

EPWP Policy

The objective of the EPWP Policy is to provide a framework within which the municipality and its departments implement the EPWP. The policy document is aimed at providing an enabling environment for the municipality to increase the implementation of EPWP through the re-orientation of its line budgets and channelling a substantial amount of the overall annual budget allocation and human resources towards the implementation of EPWP.

The EPWP has an integrated Grant Spending and shows how it is allocated.



EXPANDED PUBLIC WORKS PROGRAMME



4.1.8.1 EPWP 3

The municipality is fully aligned to the EPWP3 policy and has made positive interventions in terms of job creation. The policies formulated by the municipality addresses all the characteristics of the EPWP 3 policy, hence it is fully aligned. For an example, chapter one of the policy talks to the introduction of the EPWP Non-State Sector Programme and mentions some characteristics such as:

- large numbers of locals, unemployed but willing to work
- Large % of the overall project costs are paid out in wages to the EPWP target group
- The group provides service to the community
- Projects should not result in the displacement of existing workers or in the downgrade of existing workers' employment conditions

Furthermore, for an example, chapter 3 of the policy relates to how the non-state Sector EPW subsidy works. Within Ray Nkonyeni Municipality, all employed are South Africans, monthly reports are made as well as invoices submitted by the NPO to the municipality. The Skills Development Unit ensures that accredited training for the workers in different skills is done. The programme as a whole is closely monitored by a dedicated team within the municipality and fully audited. The EPWP wage subsidy within the municipality is a transparent one. There are poverty alleviation projects run by the municipality through the Extended Public Works Programme (EPWP). Most people employed in these projects are from rural areas. The EPWP programme has addressed the Green job initiatives. For example, the municipality is implementing the Food for Waste Programme. Currently more than half of the total number are employed under the food for waste programme, some employed for verge cutting and for street cleaning. These programmes run for a period of 5 months each, and the municipality receives grant from National Treasury. For all catalytic and other projects taking place within the municipality, it is expected that locals take first preference in terms of being hired. One such example, the Justice Park Development in Port Shepstone, currently being developed, all employed were sourced through the municipality. Below is a detailed summary of the EPWP in terms of job initiatives and the number of people employed in this current financial year.

i. EPWP Indicators

The designated unit within the municipality ensures that all work opportunities created are disseminated accordingly. As mentioned above, the municipality aligns to the EPW3 policy. In terms of job opportunities, Ray Nkonyeni fully adheres to the PGDP and the DGDP. There are a number of jobs that have been created through this programme. Further, the municipality is in line with the 2020 State of the Nation Address whereby the President mentioned that there should be job opportunities created for all to alleviate poverty in communities. The LED Unit has functional institutional arrangements in place, and these include the LED Forum which sits on quarterly basis to address issues pertaining to economic development within the municipality. The forum has aligned with the private sector, the District LED and other Government Departments. The programmes that the unit runs appear in the SDBIP and have timeframes. Progress on all projects is measured through the SDBIP. The municipality has partnered with other Sector Departments as well as the private sector in ensuring that local economic development is promoted. In some projects, the municipality has successfully outsourced private funding.

It must be noted that the municipality has fully aligned with all the EPWP sectors and proof of that is work on the ground such as the Mayoral awards that are held annually to award those businesses who have made changes in communities' lives. Projects for the South Coast



Development Agency are first presented to the District Forum before they are presented to Locals. Fundings are outsourced from various Government Departments.

ii. EPWP Job initiatives

Despite the fact that the municipality and government in general is required to facilitate a conducive environment for job creation and enterprise development as guided by the PGDP and NDP, the plan does also focus on job creation. Annually through the Service Delivery and Budget Implementation Plan, the municipality continuously sets itself targets for job creation, inclusive of job opportunities. As stated earlier on, the municipality has secured 177 jobs with a budget of R4 845.350. This amount will be utilized as follows:

- R100 000 for protective clothing
- R360 000 for training
- The rest for salaries

Jobs created from this initiative range from road maintenance, storm water services and community services as well as other Departments within the municipality. As per the Municipality's adopted EPWP policy, only Councillors have a mandate to hire through War rooms. The duration of the service per person under the programme runs for 12 months.

4.1.9 SMMEs, Informal Sector and Economically active Population

Ray Nkonyeni has an SMME development Strategy in place and the Informal Traders Management Plan. This plan deals with matters of informal trading and how to assist traders and issuing of permits. Further to this, the municipality does have an SMME database which can be obtained from the Supply Chain Management Section. The data base show all services offered by the SMMEs.

RNM has been proactive in establishing Small Medium Micro Enterprises SMMEs to enable people to be economic active. Successful businesses (SMMEs) must emerge as they are the largest contributors to new employment opportunities. The SMMEs sector represents an important component of the economy of the municipality and plays a major role in the job creation, economic growth and poverty alleviation. SMME sector is also recognized nationally and world-wide as a major player in economic development and growth especially for the developing world. As such, Ray Nkonyeni Municipality has identified the need to support the development of the SMMEs across the economic sectors through the creation of opportunities for growth and development. The municipality sees its intervention area to improve efficiency of this sector as improved governance, improved public infrastructure development, improved access to information, and ensuring that our regulatory environment is responsive to the sector. SMME development strategy for the municipality acknowledges that SMMEs are at different levels of development, with some still being at a survivalist stage while others have reached an advanced level of development and ready to graduate into formal business entities. The strategy is to deal with these in a differentiated manner taking into account differences in challenges. The strategy specifically targets the following:

- Informal Sector
- Small formal business the majority of whom operate from the development node
- Emerging contractors involved in construction and infrastructure development.
- Artists and crafters (creative industries) spread throughout the area.
- Small scale farmers including cane growers, community gardens, etc.



Although no permanent solution is provided, the following was determined to be the main causes for failure when addressing the second economy:

- Failure to Disaggregate and quantify: For Example, measures were implemented to empower black farmers, but no distinction was made between subsistence farmers who depend on farming for food, and farmers who farm but have a separate source of income. The same measures can therefore not be implemented.
- Neglect of what is there: There is a tendency to focus on activities that are more marketable than what the entrepreneurs/farmers are used to and as such start afresh with no experience.
- Failure to understand real constraints: The tendency to implement what is more implementable instead of addressing the real needs. Therefore misidentifying the real issues.
- Neglect of lessons from the past: New programmes are implemented to correct failures of previous programmes without understanding the real issues.

The KZN Premier in his February 2020 State of the Province Address, Priority Intervention 6: 'Unlocking SMMEs and co-operatives potential, mentioned that "shared growth targets can best be achieved by creating an environment for small business to grow. A high participation rate in our economy is much needed and this can be best achieved by getting more business entities that can help create the jobs we need." RNM commits to create a better supportive environment for this initiative and best improve on what is on the ground currently.

As mentioned before, the municipality seeks to support the development of SMMEs across the economic sectors through the creation of opportunities for growth and development. Currently, there are more than twenty SMMEs that the municipality has assisted in growing enabling job opportunities, but must mention that the number is small and still hopes that in the future the number will grow.

There is a database set up by the municipality for both active registered SMMEs and cooperatives. The municipality wants to ensure that it will expedite and expand an incubation programme for small businesses, do its best to reduce "red tape" for small business and support access to funding through soft loans and grants. The same will apply to the informal sector. It is detailed in the Strategy how the municipality has set up support access to funding through soft loans and grants. Further, an SMME & Co-operatives Strategy is also in place, which specifies exactly what needs to be done in terms of SMME and Cooperatives development.

The LED unit has a database for all active/ registered SMMEs and Cooperatives and is available on request. Further, the municipality is working on a new database in terms of adding new members. Following the adoption of the revised Procurement Policy, the municipality has focused on enhancing the capacity of SMMEs, particularly focusing on emerging contractors. The municipality has then created a database for the purposes of sub-contracting. All municipal projects valued at R2.5 M and above are subjected to mandatory sub contracting which benefits locally based emerging contractors from Grade 1-4.

4.1.10 Auditor General Responses and Provincial Treasury Comments

Ray Nkonyeni Municipality did not receive any queries from AG hence there is no plan

4.1.11 Monitoring and Evaluation Plan for LED

There is a monitoring and evaluation mechanism for implementation of all LED programmes and targets in place that has been developed by the municipality.



4.1.12 Research and Development

There is currently no budget for Research and Development and this will be considered going forward. The municipality has an LED Forum that sits once a quarter. Matters arising from all development related matters are presented by Sector Departments and where there seems to be a challenge, the Forum deliberates on that and pave a way forward.

4.1.13 Job Creation

In response to the NDP and the PGDP 2035 targets, Ray Nkonyeni Municipality is proud to announce that the number of jobs it has created through its EPWP initiative fully aligns to both. The municipality has been in a position to create a number of jobs for the unemployed and trained them in various skills. Approximately 900 jobs, for both males and females have been created. The people are employed on a three year basis of which thereafter their contracts are terminated and a new group is employed. This is done to ensure that all the unemployed get a share in this initiative.

The PGDP 2035 goal number talks to inclusive growth.

- Increase employment within the agricultural sector
- Increase in commercial farmers
- Increase in emerging commercial farmers
- Increase in hectares of land under irrigation
- Real value of output of the agricultural sector

Ray Nkonyeni Municipality has provided more than 900 jobs as mentioned above. However, through its commercial agriculture which is limited to a few farmers, it can be said that about 2000 jobs have been created. As mentioned earlier, the emerging commercial farmers still battle in the market due to its dynamics.

4.1.14 Mobilization of Private Sector Resources

The municipality has partnered with the South Coast Business Chamber of Commerce. Meetings take place quarterly to discuss issues pertaining local businesses. Issues discussed also include ways and means of attracting more development into the municipality and how best to create more jobs. The Forum also looks at the interest of their businesses on ways of for sustainability and also municipal policies are discussed such as Strategies. Since the Forum membes are Business people, they are also ambassadors of their own business and so this platform is set for showcasing them and further on how best to attract investors into the municipality. These Sector partners include:

- Ugu Association of business
- Margate Business Association
- Port Shepstone Business Forum
- Ezingoleni Business Forum
- Kwanzimakwe and
- Gamalakhe Business Forum

4.1.15 Informal Sector

The municipality acknowledges the relevance and contribution of the informal economy and social life of its existing economic towns. Informal or street trading has become a feature of contemporary urban environment in most South African cities and towns. It symbolizes the changing nature of both spatial and economic environments, with the small and emerging



business operating side-by-side with established business entities. Street vendor's area major source of provisioning for poor urban households, and form a vital part of any emerging economy.

(For reference, see attachment No. 5)

As per the Ugu District Growth and Development Strategy, informal economy contributes 6% of employment and the figure is steadily growing throughout the District. Within RNM, Informal trading is prevalent in urban centres, particularly in the vicinity of taxi ranks and market areas. There is informal trading outside of public facilities such as clinics, schools and pension pay points. However, it must be noted that the municipality is working tirelessly to come up with a strategy to be implemented which will amongst other issues ensure that this sector is well provided for as it provides for a number of employment opportunities. A survey of informal traders undertaken revealed the following:

Provision of suitable facilities is critical. The majority of informal traders are involved in small operations which involve a relatively small number of people. Most traders are not authorized to undertake street trading and do not belong to a formal structure but would like to be part of one. High concentrations of informal traders in places such as taxi ranks create pressure on the available infrastructure and causes chaos. The operators who try to work within the rules are becoming frustrated at the lack of regulation.

There is a general lack of market infrastructure (i.e. safe and secure trading sites) and general infrastructure (i.e. roads, electricity, water, sewerage). The municipality further lacks a policy regulating zoning for street vendors but there are Bylaws controlling this system.



Informal Trader in Port Shepstone CBD

4.1.16 Municipal Intervention on SMMEs

To regulate street vendors, the municipality has developed an Informal Trading Policy and By-Laws. These were adopted by Council in 2016. Further, the municipality is working closely with KZN Department of Economic Development, Tourism & Environmental Affairs in expediting and elevating informal trading. In-house capacity building initiatives are currently being implemented.

4.1.17 Women Focused Initiatives

Ray Nkonyeni Municipality has complied with both the UDDP as well as the PGDP in terms of projects, food security and development growth initiatives for women, children and the vulnerable.



These projects are fully funded by the municipality and they appear in the SDBIP, however, some are funded by other Sector Departments. Below is a list of projects by the municipality.

4.1.17.1 Women in Business

There is a woman in business structure initiated by the RNM Mayor which focuses on women's SMMEs' sustainability. Its sole existence is to nurture women in Business as well as those aspiring to be in business. Below are two of the municipality's initiatives to sustain livelihoods whereby women are highly involved

4.1.17.2 Community garden programme

This programme consists of women only. Women are being assisted with agricultural inputs by the municipality. They farm for home consumption and this programme is aimed at alleviating poverty and sustain livelihoods. Below is a picture taken within the municipality at one of rural women projects



An Ongoing Local Garden Programme



4.1.18 Economically Active Population

A large part of the population within RNM is economically active through the Local Economic Development initiatives. Many programmes are currently running aimed at developing skills to equip its local communities. Workshops aimed at enhancing the youth in various sectors of businesses are also in place. The President, in his State of the Nation Address, (February 2017), stated that in order to have an economic active population, the youth must be encouraged to participate in strategic sectors of the economy. The municipality is in line with this initiative.

4.1.19 Investment Opportunities (Catalytic Projects)

The municipality has key projects aimed at unlocking job opportunities. These are projects regarded as having significant development impact. It is the projects that go beyond the powers and functions and affordability of Council and only use need and desirability/impact as the criteria. A catalytic project displays the following characteristics:

- It makes a substantial impact
- It provides leverage and/or creates multiplier effects
- It has power to radically activate development (social , economic or both)
- It significantly impacts spatial form
- It creates jobs, and increase land value and
- Contributes to the achievement of the vision and goals of a mununicipality.

It must be recognised that these projects are in different categories. Some are government projects driven through social need and demand, whilst others are largely private sector driven to capitalise on economic development opportunities. In this context, three types of catalytic projects have been identified at Ray Nkonyeni Municipality, and they are

- Game changers
- Major enablers and
- Major needs

Game changers and major enablers are inherently considered catalytic projects because they act to catalyse upstream and downstream economic and social activities. The significance of a project being awarde 'catalytic' status is that it will confirm that such a project had been subjected to a screening and prioritisation process and will receive preferential facilitation support and guidance. It must be mentioned that Ray Nkonyeni Municipality in selecting its catalytic projects has been in line with the PGDP, therefor these projects form an integral part of it.

Below are some of the projects regarded as catalytic projects (**refer to 1.7 Investment Opportunities (Catalytic Projects for details)**) being at different stages of implementation. These catalytic projects are:

- **Justice Park:** This project is essentially a development of a high court and more magistrate courts and office block to accommodate the Department of Justice needs. Total project value is estimated at R360m. RNM has made land available for the project and the Department of Public Works is currently packaging the entire project which is in its last stages.
- **Intermodal Public Transport Facility:** It is a public transport ranking, facility with high order commercial mix. The facility in essence will be a bus and taxi rank and a mall to be developed in Port Shepstone at the current bus and taxi rank.



- **Technology Hub:** Completed development at Izotsha. This initiative is funded by the Premiers office. The main attributes of the Technology hub includes:
 - Specialised Business Park with tenants focused on technology and scientific research
 - Closed alignment to tertiary institutes and their academic staff.
 - Partly linked to a wider research system.
- **Margate Beach front redevelopment:** This is underway funded by Cogta to give a new look to the beach. First southern phase development of promenade has been completed. Plans are underway for main beach area and Northern portion. The approved budget was R30M.
- **Public Sector Investment:** This includes a number of projects in different parts of the municipality.
 - Port Shepstone library, in its final stages
 - Port Shepstone Museum open to the public. The Municipality signed the Memorandum of Understanding with the National Department of Public Works.
 - Small craft Harbour at Hibberdene, Port Shepstone and Port Edward and an MoU has been signed between the municipality and the NDPW and are all at a conceptualization stage.
- **Margate Airport:** The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs. In addition, the area around Margate airport presents substantial potential for future industrial development.
- **Tourism and Ecotourism development:** Tourism Development Strategy for Ugu South Coast Tourism Region in place introduces a sector specific vision and the associated long-term goals. The goals are developed in alignment to the national responsible growth objectives. Both the tourism and eco-tourism of Ray Nkonyeni seeks to deliver a welcoming world class visitors experience. The projected budget value is R158.5m per annum.
- **Izotsha Crematorium :** The crematoriums within the municipality are dilapidated and are a risk to the health of communities. The municipality does not have land to provide for the development of a crematorium, however, there is space at Izotsha, along the R61. Funding has been outsourced at a tune of R10M and the development may start any time soo.
- **Parking block in Dick King's Parking:** The Port Shepstone CBD does not have enough parking and no parking block open for public ever built. Businesses are negatively affected in terms of getting more clients and optimal profit. Port Shepstone is experiencing massive development as a result of Justice Park; Department of Education Offices; extension of Port Shepstone Library and building of Maritime Museum. While these developments are adding value to the town, it will put more strain on businesses as the demand for the parking will be increasing exponentially. The idea is to then avail a municipal property strategically located for this purpose to a private developer and developed property without losing ownership



- **Municipal Office Precinct:** A Council Resolution has been obtained and currently finalizing the Municipal Financial Management Act/Supply Chain Management issues
- **Rural Tourism:** The municipality has a high concentration of tourism along the coastal belt. It must be known that there is high potential of tourism in the hinterland and the following have been identified.
 - KwaXolo Caves. Phase one has been completed and the SCDA is taking over the project
 - Nyandezulu Water Fall is at a conceptualizing stage (Spatial Planning)

Rural tourism is going to provide permanent jobs to locals and also assist in showcasing the beautiful landscape of the municipality in the interior.

- **University of South Africa (UNISA).** The Municipality has signed an MOU with UNISA for the development of this project. A sword turning event has taken place and development will commence soon.

4.1.20 LED Projects (mapped)

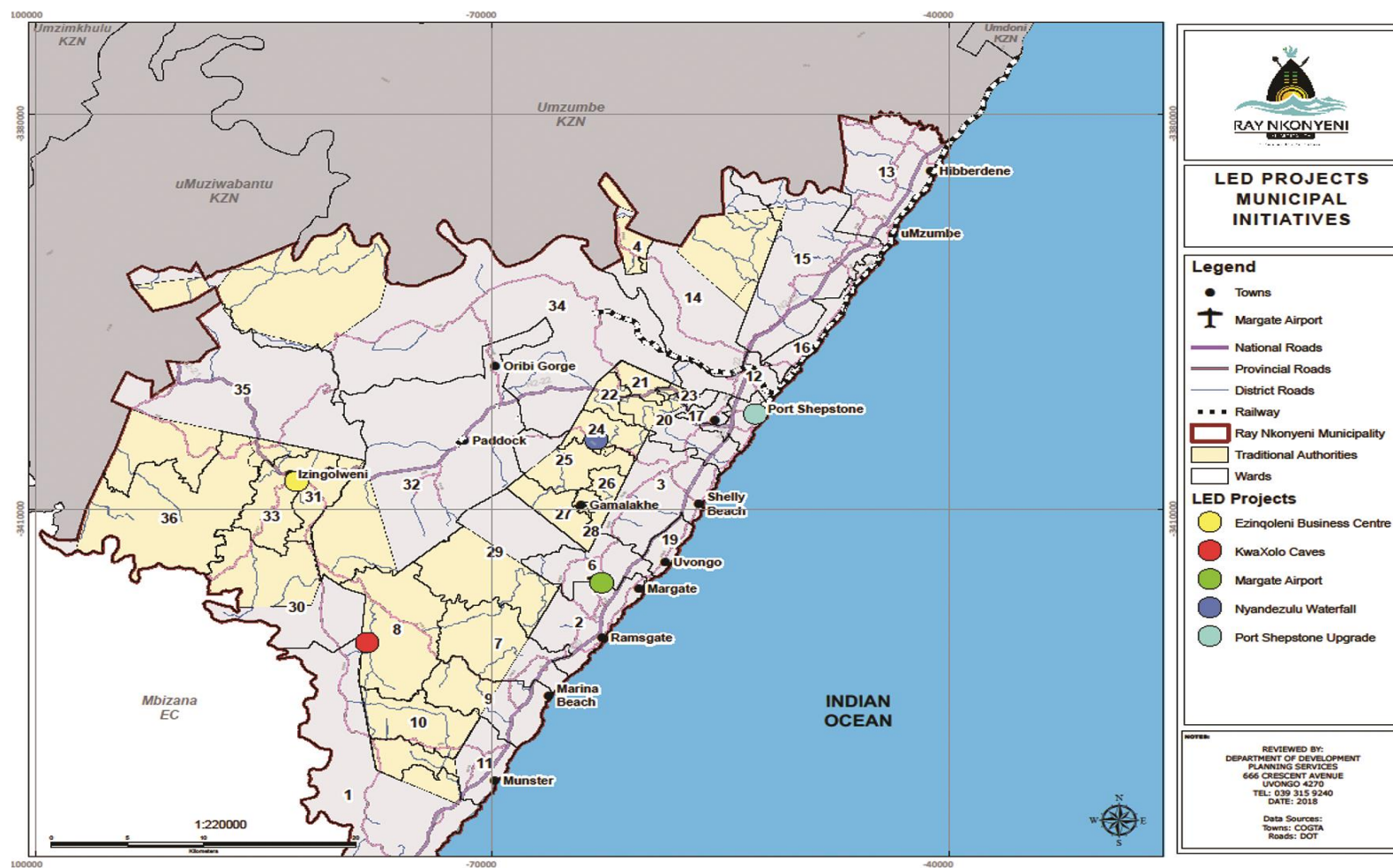
Refer to map on the following page



Margate Airport



Map: LED projects within the municipality



Source: RNM GIS 2018



Below are current initiatives for the municipality. They include but are not limited to the following:

Table 31: Municipal initiatives

<ul style="list-style-type: none"> ➤ Co-operatives and SMME development and advancement ➤ Second economy advancement ➤ One house one garden ➤ Rural tourism facilitation (tourism development) 	<ul style="list-style-type: none"> ➤ Job creation ➤ Margate Airport as a macro project ➤ Port Shepstone upgrade ➤ Business licensing ➤ Thusong service centres ➤ Ultra-marathon ➤ Cycling classic ➤ KwaXolo Rock Art caves project ➤ Training of SMMEs ➤ Business information days ➤ Distribution of seeds 	<ul style="list-style-type: none"> ➤ Establishing Izingolweni Business chamber ➤ Construction of Agri park at horseshoe farm ➤ Developing Conference centre ➤ Developing Nyandezulu water fall ➤ Developing Arts and craft market ➤ Developing Ndongeni/Dick King tourism route
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4.1.21 Strategic responsive programmes

The LED Strategy does identify mechanisms that can directly or indirectly contribute to employment opportunities. Perhaps in the next review of the Strategy, a detailed focus will be conducted. However, it needs to be noted that thorough research not just focusing on secondary data will be required.

In response to responsive programmes that will bring sustainability to the municipality, the municipality has a number of projects which most will promote rural tourism. These projects seek to transform local tourism. The hinterland has tourism potential. It must be noted that RNM is ranked number two in the Province in terms of tourism. However, tourism in the hinterland is not as vibrant as along the coastal belt, so the municipality has identified potential tourism attractions there.



Within the Ugu District, there is the Ugu South Coast Tourism which is representative of all its local municipalities, including the District when it comes to tourism matters. The tourism agency has an approved Tourism Strategy, whereby the tourism transformation is outlined focusing mainly on broadening participation and ownership.

Following are the specific programmes in the hinterland that seek to transform tourism:

- KwaNzimakwe route
- KwaXolo caves
- Nyandezulu route

The municipality has started engaging the local mining houses such as Idwala, Rossmine and NPC in determining their Social Labour Plans. The intention of the municipality is to incorporate such SLPs into the LED programme, particularly focusing on enterprise development. Further, the municipality has also held discussion with the Department of Mineral Resources in this regard.

Specific programmes targeting emerging farmers to unleash agricultural potential are in place. These programmes have been cascaded down to municipalities by the Province. These programmes include the Radical Agrarian Social Economic Transformation (Horse-Shoe farming). This is a vegetable farming initiative allocated to Cooperatives.

Reducing the red tape is another initiative the municipality is addressing. This initiative is led by the Province where processes are being looked at. Business licence processes is one example that is looked at and the rationale behind is to identify the red tape and eliminate it to improve processes.

For SMMEs and cooperatives, there are programmes in place aimed at improving them.

- There is capacity building that the municipality runs jointly with Ithala Bank known as Ithala Business Indaba Programme. Furthermore
- SMMEs are assisted with material support programme.

The municipality has an Informal Policy which was adopted by Council in July 2017. The policy is aimed at addressing issues pertaining the informal economy. Also, By-Laws have been gazetted and these were adopted in March 2018 by Council. Further is the Informal Micro Enterprise Development Programme.

Below are some of the responsive programmes by the South Coast Development agency. Budget has not been confirmed as yet, however, a sum of R1.67 has been given to the agency by the municipality to enable continuity with the programmes.

SOUTH COAST DEVELOPMENT AGENCY

1. John Mason Park

- Mixed Use Development (hotel, residential and commercial) based in Umtentweni
- Developer has been appointed having followed SCM processes
- Initially RNM indicated they own the property but it emerged at contracting stage with the prospective developer that Public Works is the owner
- USCDA has since applied for a lease with DPW which will be finalized end July 2019, public meeting with Tweni ratepayers was on 14/05 & officials from DPW attended
- *The project has been in the pipeline for more than 15 years from then HCDA but is now approaching implementation*



2. Southcoast Film Studios

- Project entails construction of upmarket film studios inland of the South coast mall
- US based developer Mr Dexter Davis has been appointed
- RNM Council resolved on a long term lease with the developer and further gave incentives
- The developer is to submit a project plan on 30 July as a basis for monitoring implementation

3. KwaXolo Caves Adventure Centre

- Adventure centre anchored around Khoisan rock art in a cave at the bottom of a 40m gorge
- The project was handed over to USCDA by RNM due to serious social issues that could not be solved at the time
- USCDA managed to attend to the issues and the project is now at implementation
- Contractor has been appointed and completion anticipated at the end of August 2019

4. Umzumbe River Trail

- A 74km trail (horse riding, bird watching, cycling, jogging) traversing 7 Amakhosi areas – R36m is needed to enable implementation
- Connects Phumula beach in RNM with Mhlabashane dam in Umzumbe
- Funding applications have been submitted to Rural Development, Tourism, Cogta, EDTEA and a host of private sector companies – CSI allocations

5. Hibberdene Commercial Centre

- Commercial centre to be located at the northern entrance to Hibberdene from the N2 (next to the railway line)
- Prospective developer appointed & the delay is with the verification of land ownership
- RNM Estates working with USCDA to finalize all outstanding issues

6. Amakhosi Fallow Field Cultivation with niche crops

USCDA currently working with National Cabinet's Economic cluster to access funding to pilot macadamia cultivation in Amakhosi areas

- The engagements are ongoing and some Amakhosi have already pledged land for this purpose – KwaNzimakwe and KwaXolo
- KZN Department of Agric, Cogta and EDTEA have also endorsed the initiative as well

Ray Nkonyeni Municipality has experienced enormous pressure in development over the past year. This is in line with the municipality's urban renewal policy. It is notably that the municipality experiences, in line with international trends, the highest level of urbanisation. There is rapid and growing urbanization within the municipality. There is also a lot of development activities in a form of residential as well as beaches upgrade. A number of catalytic projects are also taking place which many people have found employment. This is line with the Ugu District Growth Strategy.

The upgrade of Margate Airport has made it easier for tourists to access the district once they are in the province, as well as making it significantly easier and simpler for the tourists to remain in the province for longer periods, due to the expanded range of tourism product in keeping with the tourists' needs.



The municipality is a business licensing authority and policies have been developed to encourage more businesses into the municipality, more especially the private sector. The CBD in Port Shepstone is quickly reviving its appearance as more establishments are being developed.

4.1.22 Natural Assets/Resources

Ray Nkonyeni boasts of a number of natural resources that have provided job opportunities. The ocean for an example and its alignment to tourism as well as the Red desert as well the KwaXolo Caves which is cultural rich in a rural area. The Oribi Gorge which is a large tourist attraction is also one of the assets the municipality has.(See LED Strategy)

4.1.23 Key Issues

The municipality is faced with a number of issues in terms of implementing some LED programmes effectively, however, through its strategy, (refer to the LED Strategy) the following key issues have been addressed.

- Economic governance
- Institutional alignment and coordination
- Economic spatial integration
- Land release for economic development
- Youth and gender empowerment
- Sectoral integration
- Sustainability of LED municipal projects
- Seasonality of key economic sectors
- Infrastructure supporting economic development

In conclusion, the municipality is set to attract more investors through its vibrant growing economy. Also, through its LED Strategy, the economy will grow even bigger and better benefitting all communities inspite of gender and creed.

LED programmes are budgeted for annually, however, the challenge is that the udget is still less than 1% of the entire municipal budget which is a challenge in terms of implementation. It should further be noted that the annual Service Delivery and Implementation Plan (SDBIP) is an effective monitoring and evaluation tool tracing the implementation of programmes. Further more, Ray Nkonyeni Municipality's LED has never raised concerns from the AG. Ray Nkonyeni Municipality has plans in place to mobilise the private sector through its Growth Coalition as indicated earlier on. Through the Investment Attraction Strategy and its processes, there are clear plans to attract investment, also through the SLA that the municipality has with Ugu South Coast Development Agency's operations are catalysed through funding availed by the municipality and also the agency is provided with a list of mandated projects and its task is to ensure the implementation of these projects takes place.

4.1.24 Socio-Economic Profile

Below is a detailed analysis of the soci0-Economic activities within the municipality.

4.1.24.1 Employment and Income Levels

The youth is highly unemployed and this remains a huge problem that the municipality is facing. A large number of young people are either dropouts, and very few have higher education qualification.



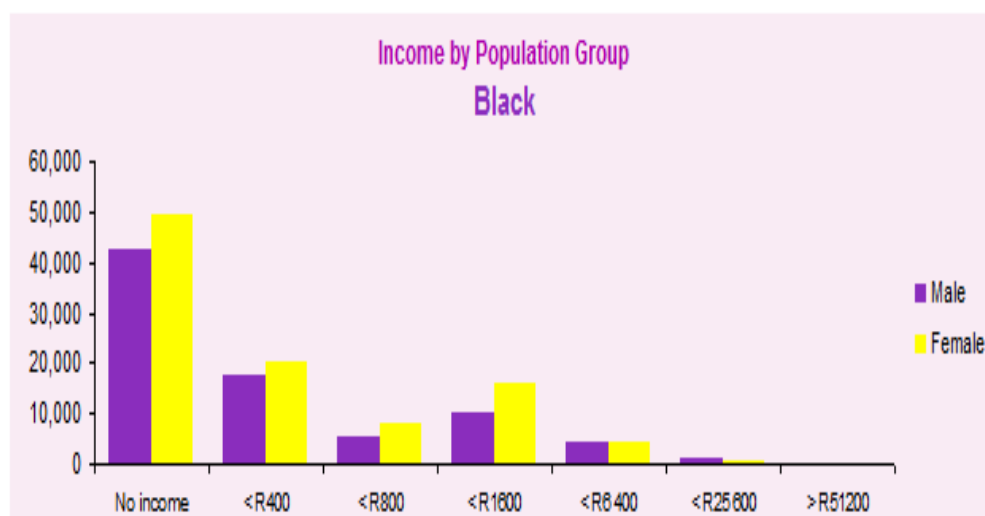
According to the State of the Nation Address, 2018 by the President, unemployment impacts heavily on inequality and poverty and needs to be halved by 2030. It further states that by 2020, 90 000 jobs should have been created through various programmes and projects. There a number of projects currently being implemented in rural areas where unemployment is rife. Also these initiatives are aimed at establishing a conducive environment to attract and grow businesses and cooperatives as per the municipality's Local Economic Development's strategy.

The Municipality further adheres to the State of the Province Address 2018, whereby the issue of youth unemployment was addressed by the Premier on youth being empowered.. The municipality has responded to this by increasing an intake of youth in the public and private employment equity programmes and there has been an expansion of learning and skills development opportunities for the youth aimed at equipping them with job skills.

4.124.2 Employment by Race Breakdown

According to the employment by race breakdown graph below, it can be said that a larger number of females within the municipality in all races have no income at all as compared to males. Those female employees, very few black females earn above R25 000 per month, as compared to white, Indians and coloured females. The following graph summarizes this information.

Graph 14: Employment by Race breakdown



Source: Statistics South Africa 2011

4.1.25 Social Development Analysis

4.1.25.1 Education Analysis

There are 85 primary schools and 42 Secondary Schools within Ray Nkonyeni. The KwaZulu-Natal Draft Norms and Standards suggests that primary schools should be accessible within 1,5km while secondary schools are within a 2km traveling distance. The population catchment threshold differs on the basis on the density requirements whereby the lowest density settlements can be provided with a Micro Primary School for every 60 households while the population catchment which warrants the small Secondary School is 200 households.



A number of critical issues relating to poor performance in Education in the Province were raised by the then Premier of KZN during his 2018 State of the Province Address. He mentioned a need to develop human strategy capacity, increase enrolment rate in TVET colleges and that there should be a seamless transition of learners from early childhood development to adult literacy. RNM prides itself by that it has managed to address these issues because more students are now recorded to be registered in the TVET colleges within the municipality. There has also been an increase in the Grade 1 enrolment which also is in line with the Premier's 2020 education goal that there should be an increase and maintaining of enrolment in Primary schools.

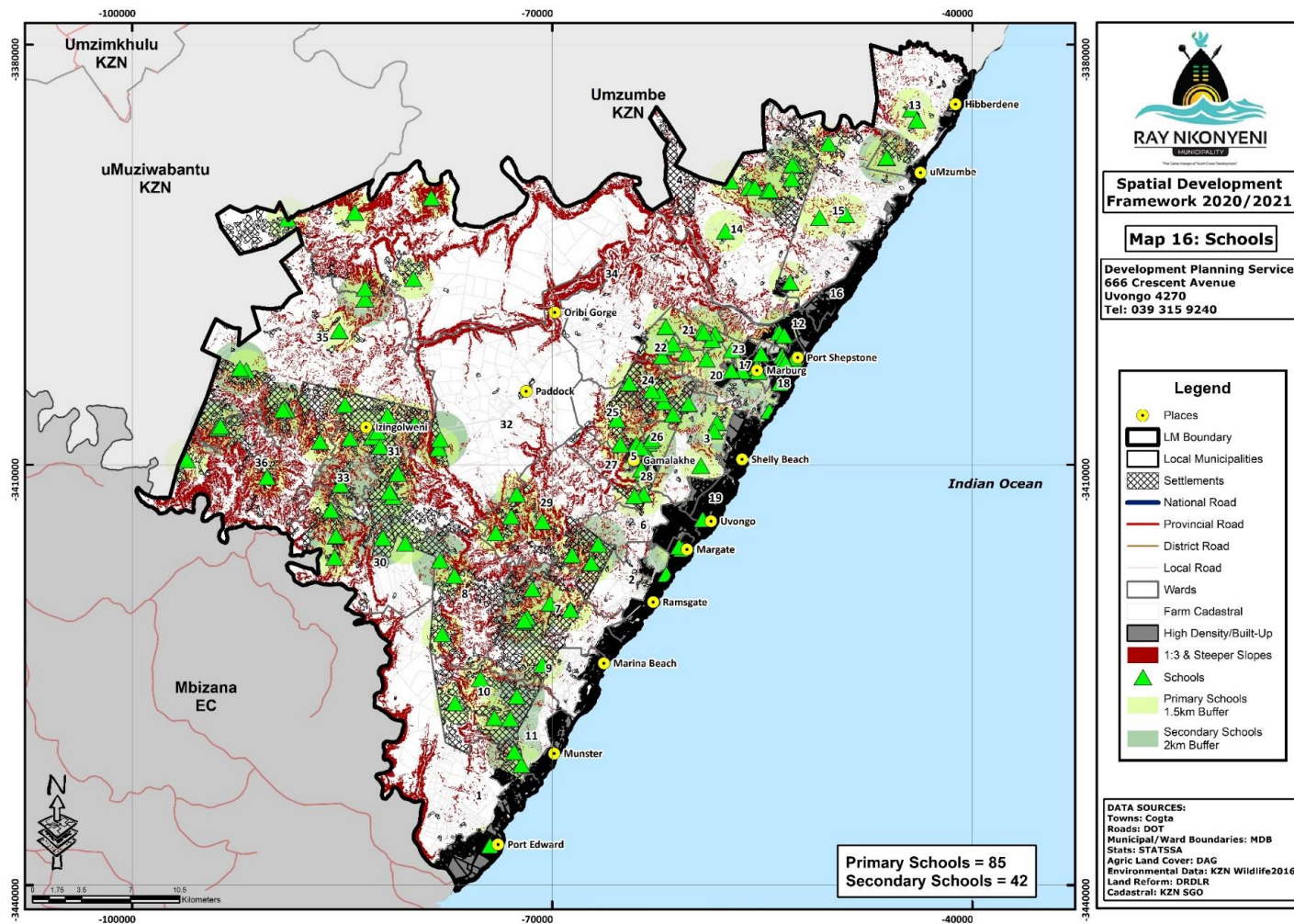
Below is a map showing schools within the municipality.



Port Shepstone Bridge



Map 7: Schools within the municipality



Source: RNM GIS 2018



Urban schools are better equipped within the municipality as compared to those in deep rural areas. Wards 34, 35 and 36 have a shortage of schools such that learners walk more than 5km. Within the municipality also, it has emerged that a number of rural communities have a shortage of pre-schools as well as primary schools as compared to urban areas. There are no facilities such as libraries in rural schools. Furthermore, most schools in rural areas have no proper teaching facilities such as laboratories. The teacher-learner ratio is too high, resulting in poor matric results. Where there are no bridges, crossing is often dangerous and learners are often forced to wade through flooded rivers during rainy seasons subjecting themselves to being swept away or being eaten by crocodiles.

Survey has showed that there is normally poor performance amongst the affected students because they are often forced to stay at home in fear of their lives. This results in school dropouts or poor matric results.

Structures in some schools are not suitable for learning purposes. Make shifts are too hot in summer and very cold in winter. Some structures are made of mud and when it rains, they collapse. Some schools in rural areas do not have access to clean water and sanitation. But have access to electricity. There is a large exodus of pupils from rural areas enrolling in urban schools. This has had a negative impact in that:

- those schools in rural areas with little enrolment are closed down
- Educators are relocated to schools with higher enrolments, in most instances far from their residential areas, which is a social problem
- schools in urban areas are overcrowded

The Department of Education has projects for the 202/21 MTEF Financial year, (**see attachment No. 31**)

A large proportion of the population of Ugu District has limited skills and low education levels. Ray Nkonyeni Municipality is striving to be a municipality that ensures a seamless transition of learners from early child hood development to adult literacy. According to the Millennium Development Goals Strategy (MDGS), literacy rate in South Africa is improving, so our municipality is in line with this. On the issue of Education, Ugu District Growth and Development Strategy (DGDS) mentions amongst many findings that there is glaring urban/rural divide and that the state of education is poor. Further to this, the District highlights th at programmes for maths and science need to be strengthened and promote public-private partnership and enhance the quality and relevance of TVETs.

Ray Nkonyeni has the highest statistics in terms of pupils in higher education institution (universities) as well as TVET and private colleges as compared to the other Ugu Local Municipalities.

The National Development Plan (NDP) in its 2030 vision states that, in order to achieve that all schools provide all learners with an excellent education, the education system needs to improve constantly by ensuring early childhood development, schooling, skills development as well as higher education. The municipality must partner with the Department of the District's Education to ensure policy implementation so as to be in line with the NDP.

Below is a graph showing Ray Nkonyeni's education's attainment. There is a decline of learners in Matric and further a very small number in higher learning institutes. The enrolment in Grade o is very low. This is not in line with the National Education Policy which aims at ensuring that the



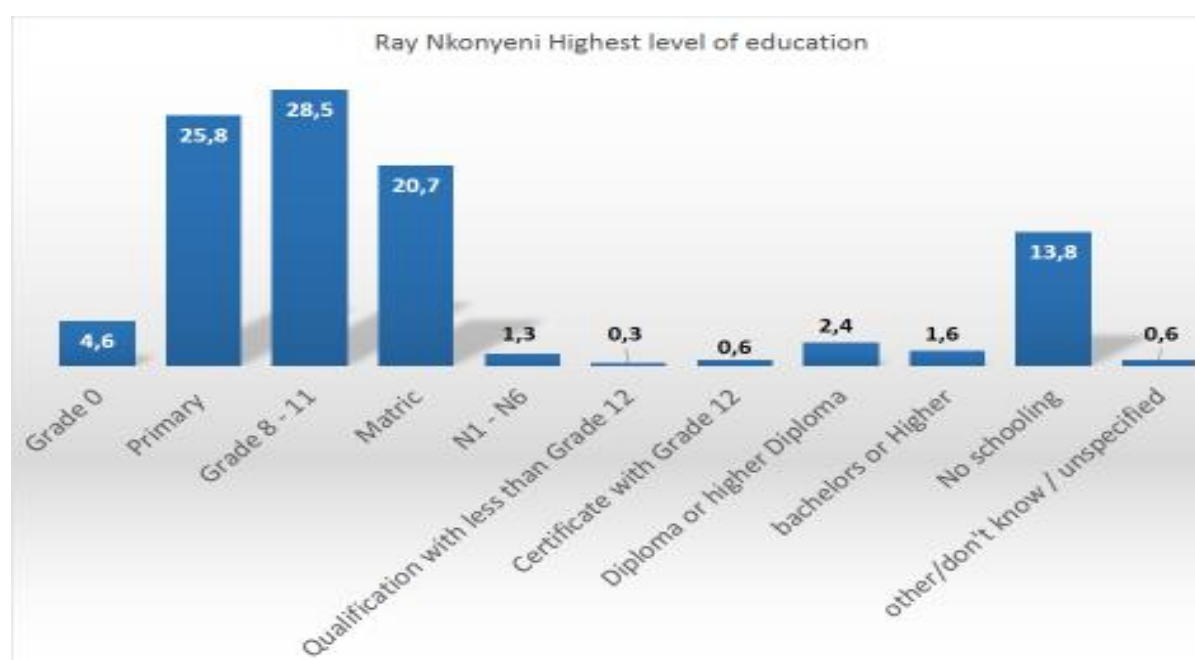
number of preparatory schools learners increase. It must be further noted that the municipality is highly concerned about the percentage of non-school going children.

i. School Nutrition Programme

As mentioned in the situational analysis, the municipality boasts of a fully-fledged food and nutrition programme in all its schools.

The following table shows the education qualification within the municipality.

Graph 15: Levels of Education



Source: Statistics South Africa Community Survey 2016

90% of schools within the municipality are fee exempted, which is a positive intervention by National government to improve access to basic education, however, such a huge percentage of exempted schools is also an indicator that the level of poverty is high.

i. Literacy Rate

According to the recent community surveys, it was established that more females than males are school. This is opposite the 2011 survey which showed that there were fewer female school going learners as compared to male learners. The perception of girls being groomed to stay at home not attending school seem to be a thing of the past. Such augers well with the government policies to empower women in terms of education is concerned. Statistics also further show that RNM has a lower literacy rate as compared to the other local municipalities of Ugu.

ii. Matric Pass Rate

Out of the four local municipalities under Ugu district, RNM has the highest matric pass rate. The Department of Education has more programmes currently running to enhance better results. Winter classes, for an example, are such programmes being implemented and also student exchange with foreign countries.



iii. Higher Education

The last conducted census revealed that few people within the municipality have higher degree qualifications as compared to those with secondary education.

4.1.25.2 Health Analysis

The entire Ugu District has fifteen ambulances, seven of these operate under RNM. Response times are still far below the acceptable norm in both urban and rural areas and remain a serious challenge considering the increased demand for emergency services. The improvement of response times is achievable only if the number of staffed rostered ambulances is operational as well as addressing the gaps in terms of filling vacant posts and replacing the aging fleet of vehicles.

Delivery in facility rate under 18 years is 11.5% and is still above target of 9.2%. Due to school health teams not allowed family planning within schools, the Department of Health plans to improve uptake of clinic services via youth friendly clinic projects.

Teenagers from neighboring municipalities make use of the two public hospitals within RNM as not all LMs have hospitals so this stats includes teens from all LMs.

Diarrheal disease is the main contributory factor for most deaths of children under the age of five. It is reported that the incidence of diarrheal cases were in fact on the rise in the previous two years. The causes are multi-factorial but the importance of hygienic food practices, rotavirus immunization and early treatment with Oral rehydration solutions right from home will ensure reduction in morbidity and mortality associated with diarrheal diseases. Breastfeeding, proper hygiene and up to date immunization can help reduce the mortality rate as well. Also, there is a programme that the Health Department has embarked on, known as Phila Mntwana. It educates mothers on how to ensure that their babies are hygienically cared for. This initiative has proved a success as the child mortality is decreasing.

Below is a list of the Phila Mntwana Centres:

- Mkhholombe
- Masinenge
- Manzamhlophe
- Oshabeni Traditional Authority court
- Breamer Mobile Library & Community Hall and
- Thembalesizwe Clinic

According to recent statistics, KZN is the worst affected in terms of HIV and AIDS and the Ugu District Municipal has the highest HIV prevalence especially amongst pregnant women. Murchison hospital and Port Shepstone hospitals are the two accredited Anti-Retroviral (ARV) treatment facilities within the Municipality. All clinics initiate clients on ARVs. New UTT campaign (Universal Test and Treat) increases number of clients accessing treatment.

Integration of HIV and TB services has been strengthened by training of HIV counsellors on TB Screening. The municipality has partnered with the Ugu district as well as the provincial departments in implementing the Sukuma Sakhe flagship programme. More focus is placed on the most deprived wards/areas most affected by the pandemic. The programme was rolled out to all the wards of the municipal area. War rooms have been established in various wards. The



World AIDS Day is commemorated on an annual basis at RNM. The department of Health conducts annual HIV/AIDS surveys on women visiting antenatal clinics in the province. RNM's Council is committed in the HIV/AIDS infection reduction programme. The municipality has implemented viable programmes to fight the scourge of the disease. More educational programmes/awareness campaigns are necessary to alert the community members of the HIV/AIDS disease.

The Private Sector plays a vital role in purchasing school uniforms for vulnerable children in schools within the municipality. The Mayor then ensures that all recipients receive the packages and are treated to a special day.

It will be important to factor into planning the impacts associated with this pandemic and provide adequate services to those living and affected by the virus. Furthermore, it is critical to involve the ward committees, Local AIDS Council and people living with HIV/AIDS in the IDP Forum to discuss issues that affect them and planning matters. The epidemic, for example, will affect infrastructure planning by reducing the projected number of people, impacts on households requiring services as well as their ability to pay for these services and increased demand for health care facilities and social services.

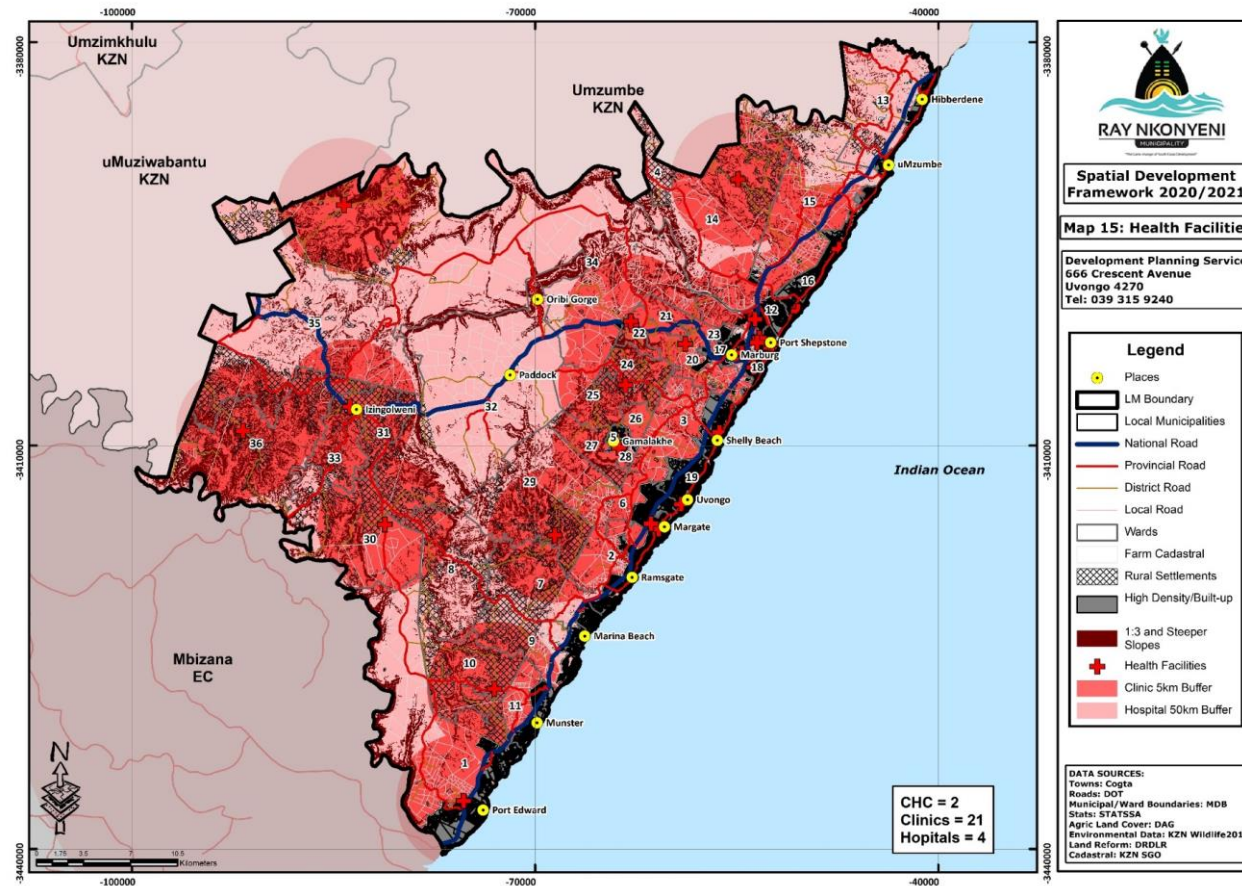
Currently, RNM has two public hospitals, namely (Port Shepstone and Murchison) and two private hospitals, namely (Hibiscus and Margate). The municipality has a total of 20 clinics, 7 mobile clinics and one health care center. The Shelley Beach Hospital with is currently being extended is another private hospital within the municipality.

All the clinics within the municipality have access to electricity, clean water and sanitation. In as much as the District Health Department states that RNM has enough clinics, it must be noted that most rural communities have a backlog these services. During the Mayoral Izimbizo road shows, most communities list clinics amongst their priority needs. Those communities with these facilities however, raise concerns in terms of staff attitude and the poor level of services rendered. For full details, refer to the situational analysis.

The map on the following page details the health facilities within the municipality.



Map 8: Health facilities



Source: RNM GIS 2018



Some of the primary health prevention and care initiatives implemented by the department include;

- NIP sites in partnership with the Department of Social Development; Partnership with TDSA;
- Health promotion in schools with partnership with the Department of Education;
- Partnering with a few NGOs such as ECAP and Dram Aide (226MMC, school health teams, 30MMCmobilisers);
- Happy hour in clinics to prioritise service to school going teenagers; and,
- Distribution of female and male condoms.

In terms of dealing with back logs on health facilities, the Department plans on extending how the following clinics:

- Marburg Clinic
- Hibberdene clinic
- eNtabeni clinic

It must be noted that due to limited funding, all projects are on hold across the Province.

Proposed new clinics within RNM are going to be developed in the following areas when funding is available.

- Hibberdene
- Mphelelwa
- Bhokodisa
- Qinabout
- Nkothaneni
- Mdlazi
- Thorndale
- Mhlabathini
- KwaNikwe

4.1.25.3 Municipal Health Services By-laws

There are no clinics that are under the supervision of the municipality. Previously there were but were handed over to the Department of Health in 2012 hence there are no municipal health services by-laws. The municipality however, has a fully fledged health and wellness center with full time qualified staff. The staff comprises of a qualified nurses, and an officer. The Wellness Center is for the municipal employees only. RNM is the only institution with such a facility in the whole province. Other than administering medication to employees, the center runs a number of wellness programmes to ensure the municipal workers are in their best of health and fitness. It works closely with the Health Department in ensuring that its programmes are full aligned and knowledge shared to ensure that the staff is updated on current health issues. The qualified nurse at the center also makes referrals to hospitals.



4.1.25.4 Youth Development

The youth make the highest percentage of the population at RNM, which over the years it has had economic implications. In that regard, the municipality aims to impact on its youth through the following objectives:

- To ensure that the youth are given an opportunity to participate in the mainstream economy and to entrench the need for stakeholders to prioritize and support youth economic empowerment;
- To address challenges of youth unemployment and poverty by, among other things developing mechanisms to create markets for young entrepreneurs in RNM including development in sports and arts;
- To develop mechanisms to address the economic needs of the youth in terms of their geographic demographics i.e. urban or rural;
- To encourage young people to actively participate in development issues; and,
- To address moral regeneration needs.

The main youth concerns can be summarised as follows:

- High unemployment rate;
- Lack of skills;
- Lack of information/ communication measures at rural areas;
- High levels of crime; and,
- Exposure to alcohol and drug abuse.
- Vulnerable to HIV/AIDS
- In response to the PGDP 2035 objective 3 which states that there should be a promotion of youth, gender and disability advocacy and the advancement of women, the municipality is proud to announce that it is in line with the strategy. There are active programmes and projects in place that talk to the empowerment of youth, advancement of women as well as the disabled. Funds have been set aside for these programmes, see SDBIP.

To address the listed concerns, the municipality runs a number of programmes which are budgeted for in the SDBIP with timeframes shown. Following are the programmes:

- Sports Confederation, Youth Forums and Youth Council are fully functional
- Youth Summit
- Career Guidance/ Exhibitions
- Youth Empowerment Business EXPO
- Matric Excellency Awards
- Community Outreach Programmes
- Mayoral Bursaries targeting 150 students for registration each year
- Ward based Sports Programmes
- Internships and In-service trainings



4.1.25.5 Outreach

There is an outreach programme currently under the Special programme unit within the municipality. The programme is aimed at ensuring that the needs of the elderly, vulnerable children, the disabled as well as other social programmes are implemented. The unit further seeks to ensure that senior citizens, people living with disabilities are able to cope in their communities. Vulnerable children, farmworkers, and those people affected and infected by HIV/Aids receive the necessary support.

Under the outreach programme is a project that focuses on women and men empowerment. It basically assists in providing life skills training that ensure that these people are able to sustain themselves by being self-employed. There are also initiatives targeting awareness around women and child abuse which ensures that communities are well informed and empowered regarding their rights and how to act in such instances of abuse. It must be noted that these program

Examples of the programme includes:

- Child care
- Hand over equipment to crèches
- Dress a school child campaign; school children benefit from the programme.
- Sanitary dignity campaign
- Senior Citizens programme
- Local Golden Games (250 senior citizens participate from all wards)
- Provincial Golden Games (100 senior citizens participate from all wards)
- Workshop in farming
- Launch of senior citizens' forum
- Senior Citizens' thanks giving
- Inter-generational dialogue
- Disabled care
- Disability parliament
- Life Skills Workshop
- Caine weaving workshop
- Jewellery making workshop
- HIV/AIDS programmes
- Men empowerment workshops
- 16 Days of activism
- Workshop on Gender Based Violence
- Commemoration of World AIDS Day
- Women capacity building and skills training
- Skills training for people living with possibilities

4.1.25.6 Cemeteries

The municipality has four public cemeteries and one public cemetery, namely

- Oslo Beach Cemetery



- Port Shepstone Cemetery
- Kwa Nositha Cemetery and
- Margate Cemetery

All the cemeteries have either been closed as they have reached capacity or close to reaching capacity. Only KwaNositha is still having ample space. There is one private Cemetery within the municipality situated at Izotsha. This cemetery is leased out on a long term lease which is about to expire. The burial grounds are sufficient to conduct burials and on the crematorium part, the municipality recently received funding from Human Settlement for construction. Plans have since been approved.

There are no formal cemeteries in the rural areas hence the prevalence of on-site burials. There is a need to identify cemetery sites in the rural areas in line with the principle of environmental sustainability. The municipality does not have land to provide for more public cemeteries.

4.1.25.7 Access to Libraries

There are twelve (12) operational libraries in the urban areas including Gamalakhe Township, one (1) library at Kwa-Ndwalane Traditional Authority and five in land of the municipality are five mobile libraries with one fully fledged library at KwaNdwalane Tribal Authority and one at Izingolweni and Vukuzitha the Tribal Authority. There are three cyber cadets in three of these libraries who train patrons on the use of computers. Tertiary books as well as school projects books are some of the facilities the libraries have.

On the other hand, a majority of communities within the municipality do not have libraries. Ward Based Planning sessions conducted recently in the municipal communities revealed. In order for people to access information from libraries, they travel to urban areas where these facilities are found. The municipality together with the Department of Education in the District have engagements on how to address this issue.

4.1.26 Access to recreational facilities

The municipality has a number of recreational facilities, however, these are only concentrated in urban areas.

4.1.26.1 Recreational Facilities

There are currently three depots within the municipality, situated at Hibberdene, Port Shepstone and Port Edward. These depots are under the Department of Public Safety (DPS). Each depot is run by a manager ensuring day to day maintenance. Other than ensuring the cleanliness of the municipality in terms of verge cutting, site clearances, street cleaning, waste removals etc. there are recreational parks within these depots. There are seventeen (17) parks in total.

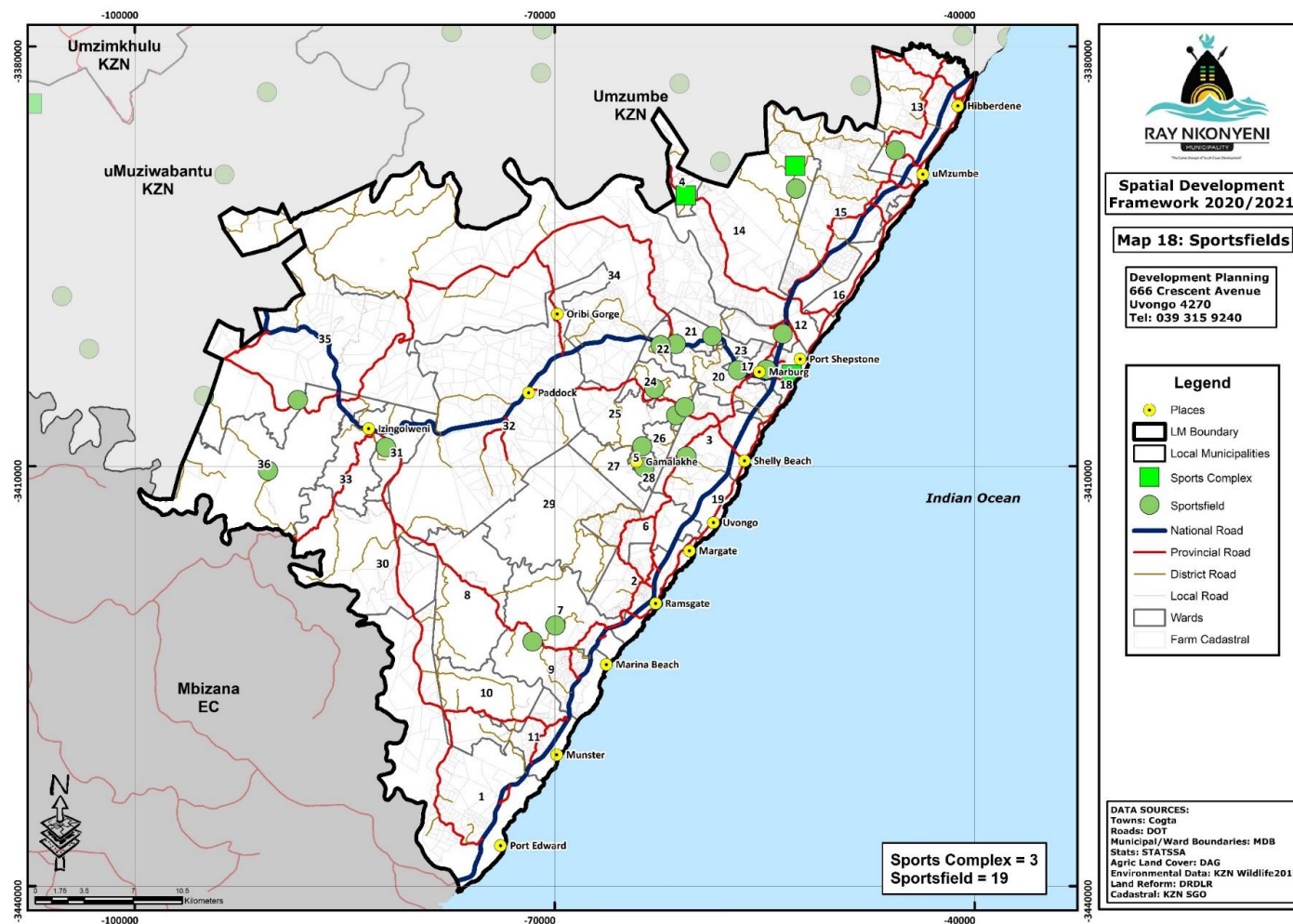
4.1.26..2 Sports Complex and sports fields

There are approximately thirty five (35) sports fields, four (4) sports complexes that the municipality has developed throughout its wards. The municipality has ensured that these sportsfields have facilities, (changing rooms) and are fenced.

Below is a map showing the location of these facilities within the municipality.



Map 9: Sports complex and sports field



Source: RNM GIS 2018



4.1.27 Thusong Service Centers

There are ten Thusong Centres within Ray Nkonyeni which are located in KwaNzimakwe (Thongazi), Nyandezulu, KwaMadlala, KwaXolo (Gcilima), Mpunzi, Ndunu, Ndimeni, Maguntia, Maryland and Mlozane. There are sixteen (16) community halls that are found within the traditional council areas such as KwaMavundla (2), KwaXolo (4), KwaLushaba (2), KwaNdwalane (1) and KwaNzimakwe (1), Woyisane, Mbeni, Cele, Nkulu and Ezingolweni.

An application of the Kwazulu-Natal Draft Norms and Standards to community halls, suggests that one hall is required for 5 000 people within a 30 minute walking time or 1.5km walking distance. Considering the rural population, this suggests a need for reveal that approximately 41 community halls are required. As such, it would seem that there are backlogs of fifteen (15) facilities.

4.1.28 Safety and Security

There are nine police stations within Ray Nkonyeni Municipality. These are located in Port Shepstone, Port Edward, Ramsgate, Gamalakhe, Mellville, Hibberdene, Ezingolweni, Paddock and Margate. The provincial planning standards suggests that a population of 50 000 people needs to be provided with one Police Station at a radius of 10km. There are few areas that this radius does not reach and these include parts of ward 8, 9, 10 and 35.

Ray Nkonyeni Municipality has developed a Safety Plan, reviewed in 2017. It fully addresses the national safety objectives and to further align to the Provincial Department of Community Safety and Liaison's Safety Strategy.

The Constitution of the Republic of South Africa under section 152 (1) (d) states that municipalities should promote safe and healthy environment. The 1998 White Paper on Safety and Security encouraged municipalities to play a vital role in crime prevention in partnership with different stakeholders and key-role players, taking into cognizance that crimes happen at local level and the local municipalities are closest to people. The White Paper sees objectives of local government with regards to safety and security as:

- To create an efficient and visible policing in all the areas particularly in residential areas and CBD areas;
- To improve on service delivery and rendering efficient service to members of the public;
- To improve service for effective crime monitoring; and,
- To provide a safe and secure environment (routine vehicle checks and routine patrols)

Crime is a complex phenomenon and varies from community to community therefore requiring different strategies and solution to suit each situation and crime level thus the municipality has developed safety strategies in partnership with SAPS and the Department of Community Safety and Liaison.



These strategies are aimed at addressing crime at all levels and all communities in a short and long term basis. RNM crime prevention strategies are aligned to the National and Provincial crime and prevention strategies which emphasizes the importance of fighting crime as a threat to our democratic order and development. Community Safety Forums have been established and are well functioning. These forums constitute of the members of the Ward Committees, Community Policing Forums and School Safety Committees. Such forums serves as a coordinating mechanism of government and civil society representatives address our community's safety needs. The municipality has a feasible crime reduction strategy and the concerned department consistently reports on it and its achievements and challenges on quarterly SDBIP which is linked to the municipal IDP and budget. During the IDP Representative Forum the municipality together with SAPS report on crime levels and trends. RNM's IDP sessions prescribe to the national requirements of strengthening interactive, participatory and transparency and community involvement in developmental issues.

It is important to align municipal planning with province and SAPS plans, share resources and information and find a common ground to deal with challenges and to encourage and assist each role player to meet its mandate. The Department of Community Safety and Liaison has played a major role in crime awareness and providing trainings. The Hibiscus Coast Municipality continues to seek partnership with the District Municipality, private sector, province and other social partners in fighting crime.

There are two police clusters within the municipality, based at Margate and Port Shepstone respectively. Both units are highly involved in ensuring that crime is non-existent both in rural areas as well as in urban area.

SAPS also uses geographic approach which consists of specific interventions to address crimes that are concentrated in certain geographic locations in a cluster. The specific aim of these clusters is to enhance co-ordination and co-operation and to facilitate an integrated approach to address crimes in these locations. Operational plans are driven by multi-disciplinary teams within the identified Crime Threat areas in order to effectively implement the Geographical Approach. This implies that the SAPS will approach policing in an integrated manner by creating multi-disciplinary teams, under one operational management structure, to police the high crime areas.

One of the cornerstones of policing is community involvement in the policing of the various communities. Of all the partnerships the cluster is engaged in, the most important one is with the general community it serves.

This partnership encompasses all three policing styles viz Democratic Community Policing; Problem-Solving Policing and Partnership Policing.

Apart from the informal partnership between the personnel and the community at grass root level on a daily basis, the Chairpersons and the community members of the Community Police Forums; Community Police. Sub-Forums and the Provincial Board engage in a structured manner with the SAPS and other Departments at all levels on a voluntary basis. In addition to this, numerous community members have enrolled as reservists who offer an invaluable service to the general community. Others offer their services voluntarily as counsellors, social workers and



administration clerks. We will continue to strengthen this partnership. In addition to the above, Business Against Crime (BAC) offers an invaluable service to this Province.

In response to the PGDP 2035 which talks to Enhancement of safety and security, the municipality fully adheres to this. Its safety and security is sound through its policies and plans (**see attachment No. 14**).

4.1.29 Key Findings

Following are key findings from the LED.

- High youth unemployment
- Limited coastal-hinterland linkage
- Narrow roads, increasing traffic congestion.
- Generally poor road network
- There is a general lack of marketing infrastructure.
- Intermodal Transport Facility at advanced planning
- Margate Airport scheduled flights growing daily
- Most traders are not authorized to undertake street trading
- Pressure on the available infrastructure due to informal trading causing chaos
- Current infrastructure not coping with growing population

4. 1.30 Conclusion

The municipality's LED fully responds to the PGDP 2035 as well as the DGDS and addresses a number of issues. The indicators set in the strategy for ensuring that the economy of the municipality is boosted as well as how its communities benefit, are clear on how the municipality fully aligns to both the PGDP and the DGDP. The municipality in its situational analysis (Key Findings) indicated high unemployment rate, poverty and emerging small commercial farmers with no capital and expertise amongst many. The LED addresses these concerns through its programmes and projects. This also addresses pillar number one of the Back to Basics which stipulates that people and their concerns must be put first, listened to and be communicated to. Ray Nkonyeni is doing its utmost best in terms of giving its citizens sustainable livelihood programmes.



Operational Areas



4.1.31 Local Economic Development and Social Development SWOT Analysis

Table 32: Local economic development

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good number of formal jobs in the Ugu DM family of municipalities • Tourism industry as one of the prominent economic drivers • The coast stretching from Hibberden to Port Edward consisting of 29 beaches • Located along the Tourism and Agricultural corridor in terms of the PSEDs • Increase in the property and construction industry and vehicle sales data • Operational Margate Airport weekly scheduled flights to OR Tambo airport and Platenberbay <ul style="list-style-type: none"> • Strategies are adopted on time 	<ul style="list-style-type: none"> • High youth unemployment • Limited coastal-hinterland linkage • Narrow roads, increasing traffic congestion. • Generally poor road network • There is a general lack of market infrastructure. <ul style="list-style-type: none"> • Provision of suitable facilities is critical for informal traders
Opportunities	Threats
<ul style="list-style-type: none"> • Intermodal Transport Facility at advanced planning • Margate Airport scheduled flights growing daily -Major tourism and entertainment events- Ugu Jazz festival, and SA Women Open European Tour Golf Tournament <ul style="list-style-type: none"> • Catalytic projects are taking place in various parts of the municipality 	<ul style="list-style-type: none"> • The perception of the south coast as a retirement area • Most traders are not authorized to undertake street trading • Pressure on the available infrastructure due to informal trading causing chaos • Current infrastructure not coping with growing population • Small emerging commercial agriculture farmers are not fully capacitated



4.2 CROSS CUTTING ISSUES ANALYSIS

4.2.1 Introduction

Ray Nkonyeni Local Municipality has a diversity of settlements given the fact that it entails urban and rural character while it is also within a very active tourism region. These broad characteristics implies that over the years the area has evolved with a need to provide formal urban settlements for different income groups within the area

The Municipality is richly blessed with numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean.

Ray Nkonyeni Municipality has a dedicated disaster management centre which is responsible for the management of disasters within the area.

Ray Nkonyeni is located within a region that has been characterised as being highly dependent upon agricultural practises and tourism. It has significant portions of land that have been identified as having a high agricultural potential. Being a rural environment with limited alternative opportunities to economic development, the majority of the households invariably rely on agriculture for both livelihood and economic requirements

4.2.2 Spatial Development Vision and Mission

Ray Nkonyeni Spatial Vision has been developed to guide the direction and growth of the Municipality. The key underlying themes for the development of this vision are Ugu District Development Vision as captured in the district IDP as well as the principles that emanated from SPLUMA. Below is the municipality's Spatial Development Vision and Mission.

Spatial Vision

“By 2036 Ray Nkonyeni will be a spatially efficient, socially equitable, environmentally sustainability and economic power house of Kwa Zulu Natal with the unique tourism economy”

Spatial Mission

“By 2036 Ray Nkonyeni will be a prime tourist destination, economically viable smart city with equitable opportunities and services”

4.2.3 Spatial Planning

4.2.3.1 Provincial and Regional Context

The KwaZulu-Natal province is well-known and characterised by its undulating topography. The coast-line along both the northern and southern coast together with the river systems have defined the primary catchments for the development of towns and cities throughout the province. A second major structuring element along the KwaZulu-Natal south coast is the national mobility route, the N2. The N2 provides the only direct north/south link between KwaZulu-Natal and the Eastern Cape. The KwaZulu-Natal south coast is a case in point to this theory – a town is located every 10/15 kilometres along the N2. The N2 can be seen as the main contributor of the organic growth and development within the Ray Nkonyeni Municipality.



Ray Nkonyeni Municipality covers an area which is approximately 1 594km² in extent. The municipality's coast line runs from Hibberden to Port Edward, covering approximately 72km. The municipality is situated along the coast line in the southern portion of KwaZulu-Natal. RNM is located between the Indian Ocean on the Eastern part while Umdoni local municipality borders the North Eastern part, Umzumbe local municipality borders the Northern part, Umuzi wabantu Local municipality borders the Western part. South of the municipality lies the Imbizana local municipality (Eastern Cape Province). The municipality consists of eight urban nodes and six traditional authority areas as indicated in the Situational analysis. The towns are located along the urban strip while the traditional authority lands are located in the hinterland of the municipality. This region has an extensive range of natural assets, particularly the coastline, which have attracted a range of development opportunities into the area over time.

RNM is experiencing continuing urbanization. Along the coastal belt, the infrastructure is well developed and the economic growth is relatively well developed. However, the hinterland is characterised by poor infrastructure provision and a large number of formal and informal settlements not well connected to the coastal settlements where economic activities and infrastructure is concentrated. The SDF that is being developed, highlights this linkage challenge and prioritizes the creation of opportunity for the people that shadow the coastal corridor. According to the Integrated Development Framework Draft Discussion, 2014, the projected urbanization and population growth show that by 2030 the majority (70%) of South Africans will be living in cities and towns as urban centres provide job creation and great opportunities for addressing the challenges of poverty, inequality and the ability to achieve the required social and economic transformation. In this regard therefore, there needs to be a coherent strategy that seeks to achieve the goals of economic development, job creation and improved conditions for all citizens.

Population growth within the municipality has substantially increased over the years. Based on the 2011 census data, RNM has the highest population concentration within the Ugu District Municipality. The dominance of RNM in terms of population is undoubtedly due to its role as the economic hub of the district which also attracts the labour force. The population group breakdown in terms of racial groups, has been made and it was found that, it is a generally representative of the trend in rural KwaZulu-Natal where African population group represents more than 91% in the Ugu District and 82% in Ray Nkonyeni Municipality of the total population, and also the majority of residents within the study area indicated that IsiZulu is their home language, with a minor number of residents also speaking English, Xhosa and Sesotho. The municipality consists of 36 wards, nine town centres and 9 traditional authority areas. The 9 town centres are:

- Hibberdene
- Port Shepstone
- Shelly Beach
- Uvongo
- Margate
- Ramsgate
- Southbroom
- Port Edward
- Ezinqoleni

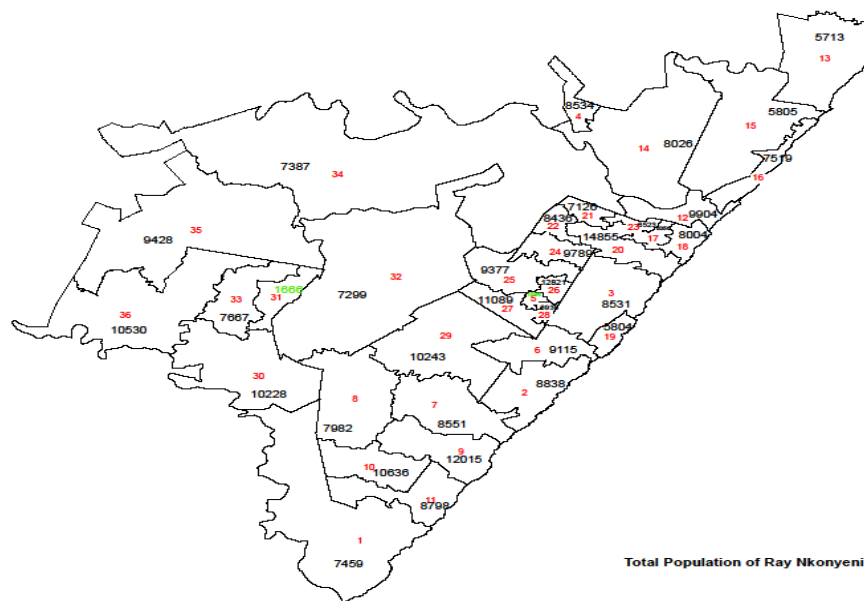


The Traditional Authority areas are:

- KwaXolo
- KwaNzimakwe
- KwaNdwalane
- KwaMadlala
- KwaMavundla
- Oshabeni
- KwaMthimude
- KwaVukuzithathe
- KwaNyuswa

The municipality wards vary according to size and population. The highly concentrated wards in terms of population are along the eCoastal belt due to economic factors while the sparsely populated wards are in the hinterland because of little or no economic activity taking place.

Map 10: Population density



Source:Ugu District GIS 2016

4.2.4 Structuring Elements

The N2 running along the coast linking the coastal towns is a major structuring element within the municipality. This link provides the primary north/ south movement lattice through the municipal area. Secondary but still critical north/south links are R102, R602 and R61.

The N2 runs from Hibberdene to Port Shepstone inland and away from built-up area. R102 runs in the same area but along the sea and through the built-up area. From Port Shepstone all the way to Southbroom about 40 km down the coast. From Port Shepstone, the R61 and R602 play



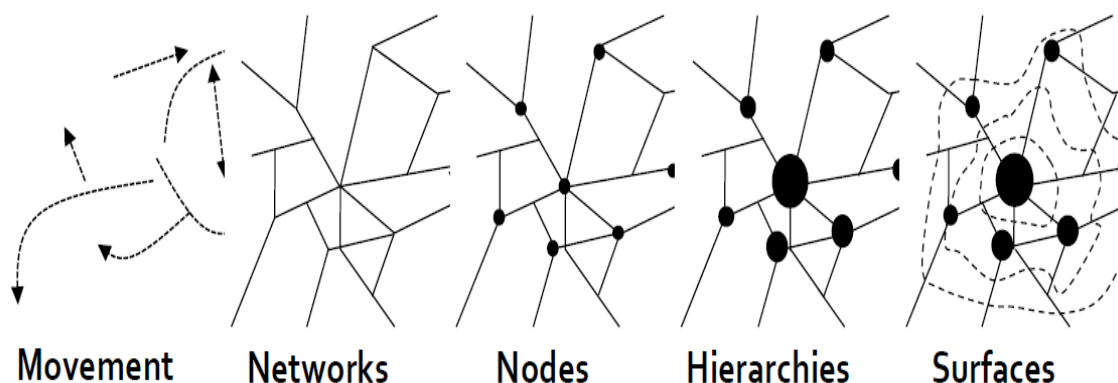
the same role as N2 and R102 respectively. P200 is the only north-south link inland of N2 and is only about 30km long. This road links Marburg (i.e. Port Shepstone industrial area to Southbroom). Therefore, there are no developed, well-functioning link roads beyond about 10-15km from the sea.

In the east/west direction, the N2 between Port Shepstone and Harding (outside the municipality's area) is the primary link with a number of secondary routes supporting. This is the main east-west corridor. Other east-west links are P68, P55, and D202/P482 and P284. There is a proposed inland activity route which will run parallel the N2. This route will run from Hibberdene and links the connector route from Port Edward to Izingolweni. This is in line with SPLUMA.

The spatial framework is developed through an interrelated set of nodes, networks and surfaces. The essence of development in this system is the movement of people, goods and services that produces the basic impetus for developing functional relationships between otherwise independent and unrelated elements. The first structuring element is the development and reinforcement of a system of varied activity nodes. This will enable greater access to city-wide opportunities, as well as equitable access to a system of local opportunities.

Illustration Spatial Restructuring Models

Illustration 3: Spatial elements



4.2.5 Land scape character and built form

Ray Nkonyeni Municipal area can be segregated into four categories which are as follows:

Coastal Strip – Ray Nkonyeni area is also referred to as the South Coast due to its popular scenic beaches. This part is characterized by outstanding landscape character and built form. It is developed with medium to high density buildings that boasts with modern and ambitious architectural styles. The municipality has a responsibility to enhance and maintain this landscape and built form i.e. this part can be considered to be the jewel of the municipality.



Land scape character of the municipality



Urban (Inland) – this includes formal suburbs and townships within close proximity to main routes. These areas are characterized by formal low-rise and uniform structures.

Farmlands (Inland) – the inland are also occupied by farms which deal with sugar cane or Banana production. The farms present a rather natural landscape which is less clouded by built form.

Rural (Inland) – the rural areas do not boast with aggressive architectural styles nor built form. However, there are signature buildings that exist within different parts of it and these include social facilities such as clinics, community halls and Thusong Centres.

4.2.6 Land Cover and Broad Land Use

4.2.6.1 Broad Land Use Pattern

i. Coastal Tourism Towns and Surrounding Suburbs

There are a number of coastal tourism towns that are located along Marine Drive, Ocean Drive and Finnis Road. These towns are also surrounded by associated formal suburbs. These towns have a number of commercial and entertainment activities within it which were introduced in order to embolden this tourism environment.

ii. Urban Towns And Surrounding Suburbs



The main urban centres within the area are Port Shepstone, Hibberdene, Margate and Port Edward. These serve as the main towns for the municipal area with the highest agglomeration of commercial activities. These towns are surrounded by the associated formal suburbs including Gamalakhe.

iii. Rural Town And Surrounding Peri-Urban Settlements

Ezingoleni is the main rural town that is found within the municipal area. It is surrounded by the densely populated rural settlements which have grown around it over the years.

iv. Rural Villages And Settlements

The majority of the inland area is occupied by rural villages and settlements. These are spread within different parts of the administrative boundaries of traditional authorities. These villages and settlements have a number of commercial and social activities within it. The kind of commercial activities are limited to small local convenient shops, taverns as well as small scale manufacturing activities (block making) and personnel services such as salons and small scale agricultural activities (ploughing field and food gardens).

v. Commercial Agriculture

Ray Nkonyeni Municipality has an abundant amount of agricultural land which is geographically located between the urban and rural areas in the form of commercial agricultural farms. The agricultural pattern within the area is primarily due to the undulating topography, which prescribes the available land parcels out of the valley lines and along other major structuring elements.

The agricultural industry is a prominent feature within the KwaZulu-Natal south coast, and therefore becomes a predominant land use within the area. The predominance is due to the rich natural resources and climatic conditions, which allow for the farming of produce such as sugar, bananas, pawpaw's, coffee, tea and exotic nuts along the coast, maize, legumes, cattle, vast pine, wattle and eucalyptus plantations.

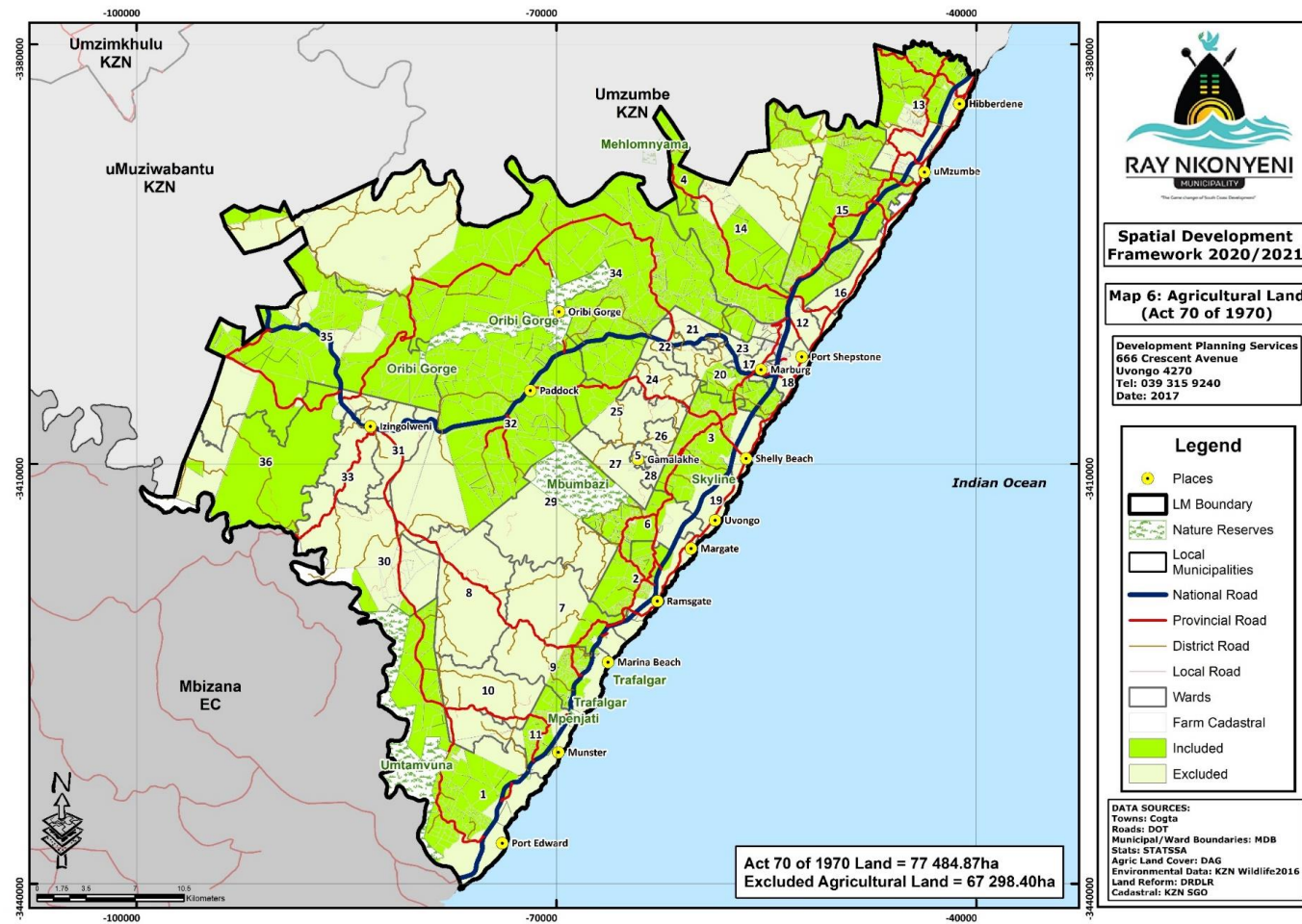
vi. Environmental Areas

There are six declared formal conservation areas which are Umtamvuna, Mbubazi, Mpenjati, Skyline, Oribi Gorge and Umzimkhulu river valley Nature Reserves. There are also a number of unprotected environmental areas within the area which are undeveloped /untransformed and consist of grassland, dense bush and forests. High biodiversity areas represent a substantial fraction of the area. High biodiversity areas occur in discrete pockets within the municipal landscape, with larger portions located in the southern part of the municipality. The intrinsic value of these areas lies in its ecological and tourism development potential.

The maps that follow show agricultural land categories and areas that are highly active in commercial agriculture within the municipality and the land within the Agricultural Act 70 of 1970.



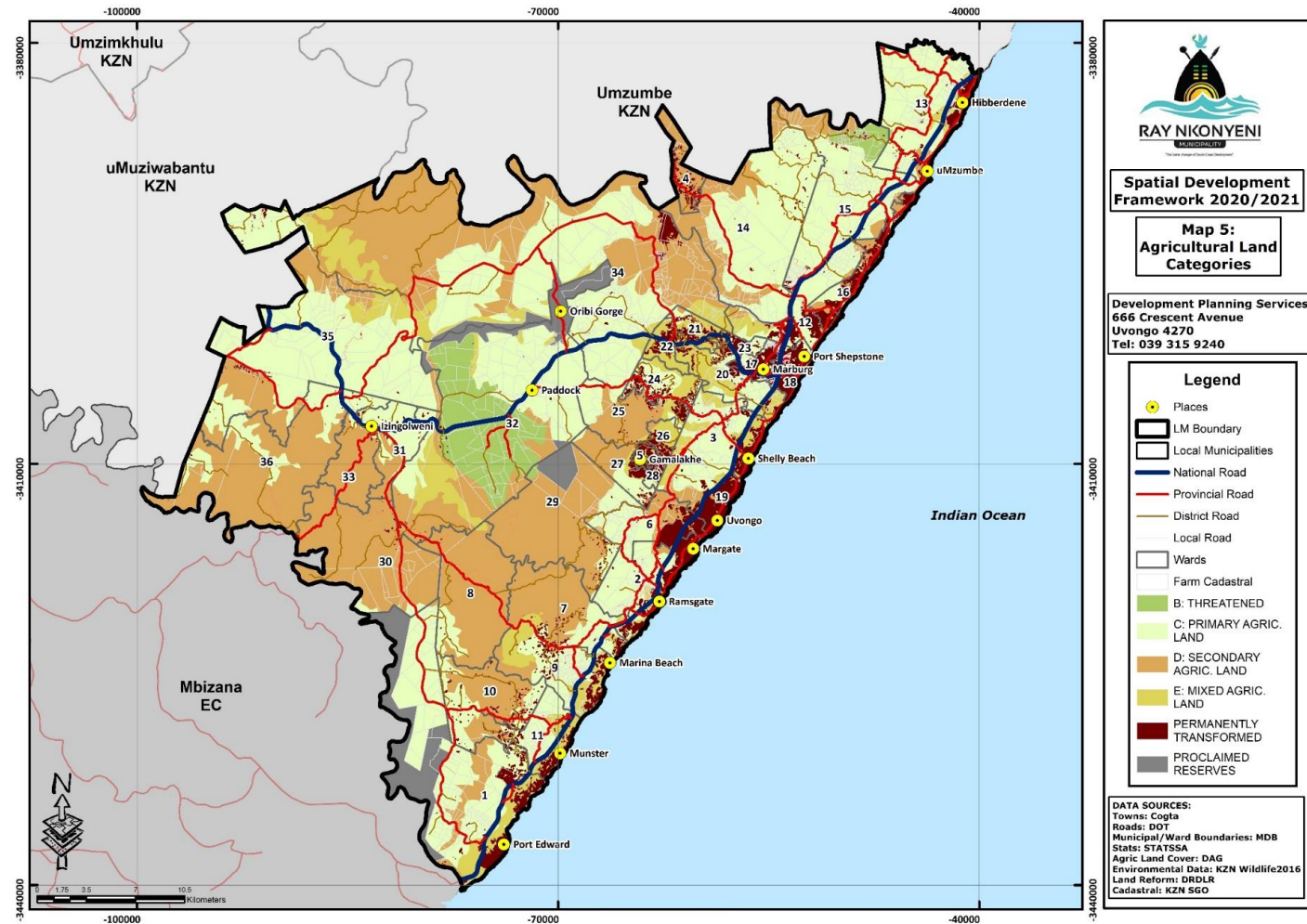
Map 11: Agricultural Land (Act No. 70 of 1970)



Source: RNM GIS 2018



Map 12: Land Categories, Source GIS Unit 2020



Source: RNM GIS 2018



4.2.7 Land Legal Issues

4.2.7.1 Land Ownership

Land ownership within Ray Nkonyeni Municipality is diverse but the dominant owner within the inland is Ingonyama Trust. Most of the land is privately owned within the coastal urban areas and the farms are either privately or owned by corporate. The remaining intermediate pockets are under the ownership of the state, association, trust or church owned.

4.2.7.2 Land Reform

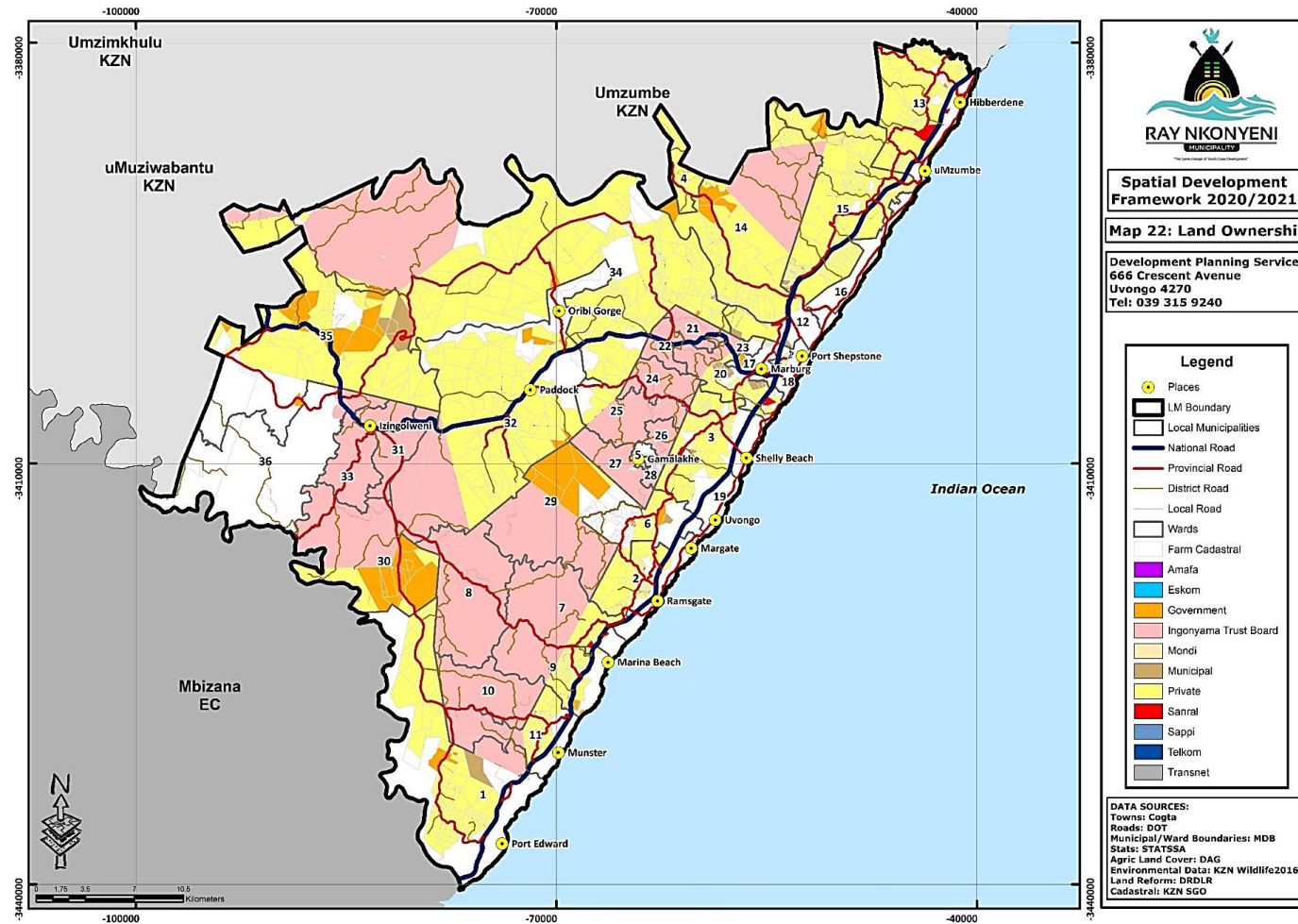
There are a number of land claims that were lodged within Ray Nkonyeni Municipality. However few of these claims were transferred into projects. There are also a number of gazetted restitution claims within the area. According to the IDP, there are two programmes that are currently running namely, the Land Restitution Programme and Land Re-distribution Programme.



Uvongo Promenade



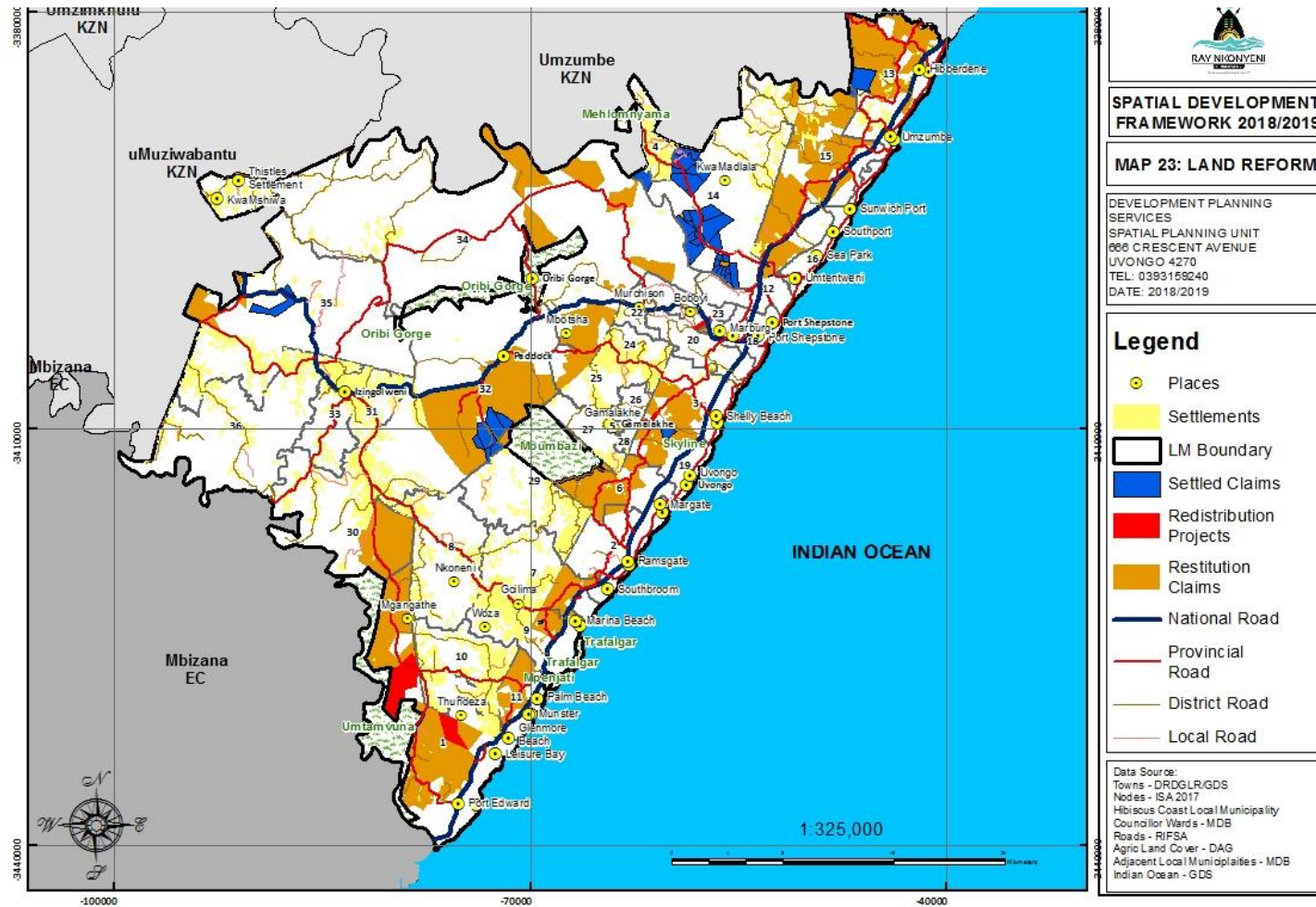
Map 13: Land Ownership



Source: RNM GIS 2018



Map 14: Land Reform



Source: RNM GIS 2018



4.2.8 Land Use Management

SPLUMA requires all municipalities across the country to develop and adopt —Wall-to-Wall Schemes throughout their area of jurisdiction. This must take place within 5 years from the commencement of the Act. In addition, SPLUMA requires that the wall-to-wall scheme be reviewed every after 5 years in order to achieve consistency within the Municipal SDF. RNM has adopted the Wall-to-Wall Scheme with the Traditional Settlement Master Plan (TSMP's).

The development of the wall-to-wall scheme required participation of municipal officials in all, traditional councils, local communities in Ray Nkonyeni and other structure responsible for spatial planning and land allocation;

4.2.7.1 Transport networks

An extensive road network exists within Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition, the quality of district and local roads is poor. This is mainly because these roads are gravel they require regular maintenance and upgrading. During the rainy season, these roads are particularly bad and hamper access to settlements

4.2.7.2 Regional network

The N2 is the primary north-south regional linkage route. It links Port Shepstone in the South with Durban in the North. The N2 also links Port Shepstone with Kokstad as an east-west linkage

4.2.7.3 Primary road networks

Some of the main provincial roads within the study area include the R102, R61, R612 and the R56. R102/R61: The R102/R61 is termed the 'beach road' and it runs in the north-south direction along the coast, linking the various coastal towns

4.2.9 Municipal Nodes

4.2.9.1 District Node

Port Shepstone town has been identified as a District Node as it is the main urban centre within the Ray Nkonyeni and Ugu District Municipality area of jurisdiction. The town is strategically located at the central parts of the District and it plays an important role as a regional centre for the District. It functions as a district centre and it qualifies to have its local justice system through a Magistrate Court. It is the primary area for investment promotion and centre of supply of services in the District. Port Shepstone is the main commercial centre and the major location of employment

4.2.9.2 Development Nodes

There are six (6) Municipal Development Nodes identified which provide medium order goods and services to surrounding settlements. These nodes are namely: -

- Shelly Beach
- Margate
- Hibberdene
- Port Edward
- Marburg; and
- Ezingolweni



The municipal Development Nodes would be physically linked to each other and to urban centres outside their regions (districts) by frequent and reliable transportation and all-weather roads. They offer diversified commercial, financial, professional and administrative services. They accommodate sub-regional offices of national government departments and branch offices of provincial government department.

4.2.9.3 Community Development Node

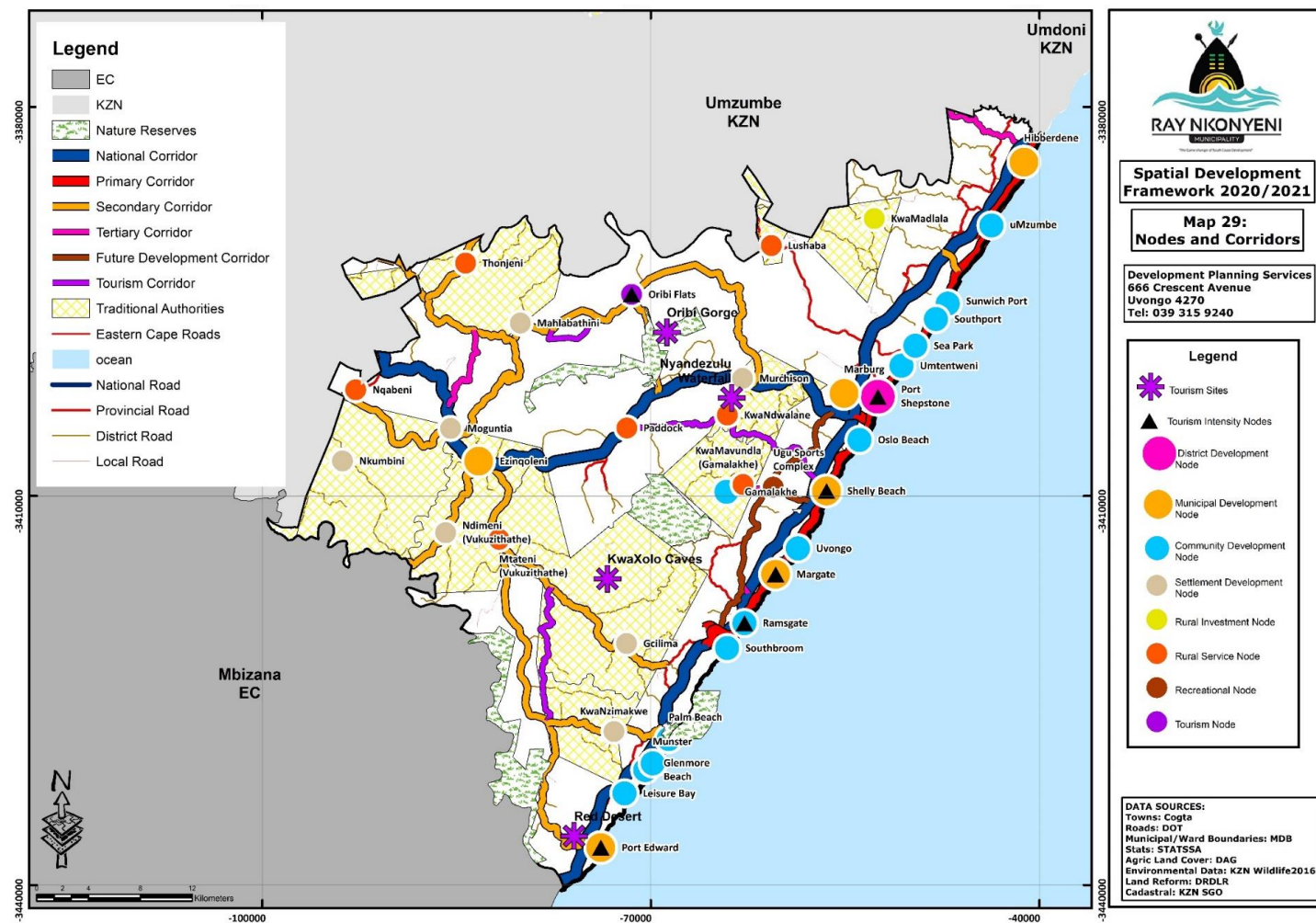
While the District and Municipal Development Nodes serves as a regional and sub-regional centres, at least fourteen (14) other areas present an opportunity for the development of the Community Development Nodes with much less threshold/ sphere of influence, namely:

- Umzumbe
- Glenmore Beach
- Leisure Bay
- Oslo Beach
- Umtentweni
- Ramsgate
- Uvongo
- Southport
- Sea Park
- Palm Beach
- Munster
- GamalakheSouthbroom; and
- Munster.

The map below shows the hierarchy of development corridors within the municipality. The municipality is urban biased developed currently and the current SDF has addressed this imbalance. Corridors will be developed in the hinterlands. Port Shepstone is the highly developed corridor within the municipality.



Map 15: Nodes & Corridors



Source: RNM GIS 2018



4.2.9.4 Settlement Development Nodes

Settlement Development Node serves specific geographical area and social network. Its service area would be limited to the surrounding cluster of settlements within a specific neighbourhood and would include low order public, shopping and small business enterprise facilities. It serves as a link between the local communities and the major towns as such they should locate in accessible areas along or at the intersection of public transport routes. These seven (7) nodes have been identified as follows:

- KwaNzimakwe
- Gcilinga
- Murchison
- Ndimeni (Vukuzithathe)
- Moguntia
- Nkumbini; and
- Mahlabathini

4.2.9.5 Rural Investment Nodes

KwaMadlala has been identified as the Rural Investment Node. It is strategically located to serve rural settlements. Rural Investment node is focussed on improving the local economic growth of the rural centre with basic socio-economic elements. This node will serve as major rural centre and serve as location points for community facilities serving the local communities. This is a rural area with a lot of potential for local economic centres and manufacturing activities. The most basic facilities for this type of node include Secondary/ Primary Schools, Crèches, Mobile Police Station, Traditional Court, Satellite pension pay points, Mobile Clinic, Community hall and Sports Fields.

4.2.9.6 Rural Services Nodes

In addition to the Rural Investment Nodes, the vision for the future spatial development of Ray Nkonyeni makes provision for the development of community centres within a cluster of settlements. These small centres will serve as location points for community facilities serving the local community such as Primary and secondary schools, Clinics including mobile clinics, Pension pay points and Community halls and other community facilities. There are no foci that operate as Rural Service Centers at this stage, but some activity could be upgraded to perform this role. The location of these nodes is usually the most accessible location within an acceptable walking distance of a community. These were identified as:-

- Mtatani (Vukuzithathe)
- Nqabeni
- Thonjeni
- Paddock
- KwaMavundla (Gamalakhe)
- KwaNdwalane; and
- Lushaba.



4.2.9.7 Tourism Node

Oribi Flats are situated to the north of the Oribi Gorge, and represents the centre point of an agri-tourism, eco-tourism and adventure areas. Any development within this area that may have adverse effects on the tourism industry needs to be discouraged. The area is situated centrally to the north-eastern parts of the Municipality, and represents the access point from the southern parts to the Northern tourism area. This area is envisioned to provide limited social amenities such as a postal collection point/post boxes but more specifically for the marketing of, and direction to tourism attractions in the Tourism Area. As such no large scale development would be encouraged here.

4.2.9.8 Other: Tourism Intensity Nodes

There are five nodes within the municipality that have a tourism character over and above the role and function that has been listed above. These are:-

- Port Shepstone
- Margate
- Ramsgate
- Port Edward; and
- Shelly Beach

4.2.10 Hierarchy of Development Corridors

The system of development corridors in Ray Nkonyeni Municipality are developed on the following fundamental aspects: -

- Levels of Mobility
- Levels of Access
- Land use intensity and role in the spatial economy; and
- Functionality of the corridor

4.2.10.1 National Corridor: N2 and R61

The N2 is the primary north-south linkage and it links Port Shepstone in the South with Durban in the North. R61 is the provincial routes that link Ray Nkonyeni with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, this route serve as a main link between the Eastern Cape Province and KwaZulu-Natal Province.

4.2.10.2 Primary Tourism Corridor: R102 and R602

The R602 is termed the beach road'(better known as—Marine Drive) and it runs in the north-south direction along the coast, linking the various coastal towns.

4.2.10.3 Secondary Corridors

The Municipality is characterised by poor corridor development linking urban and rural settlements. This may be due to the lack of economic activities located along these routes. The secondary corridors are P69, P732, P482, P344, D686, D0165, P0860, P0262, P0354, P0284, P0057 and P0058. A corridor serving areas of high poverty levels with good economic development potential within one or two sectors



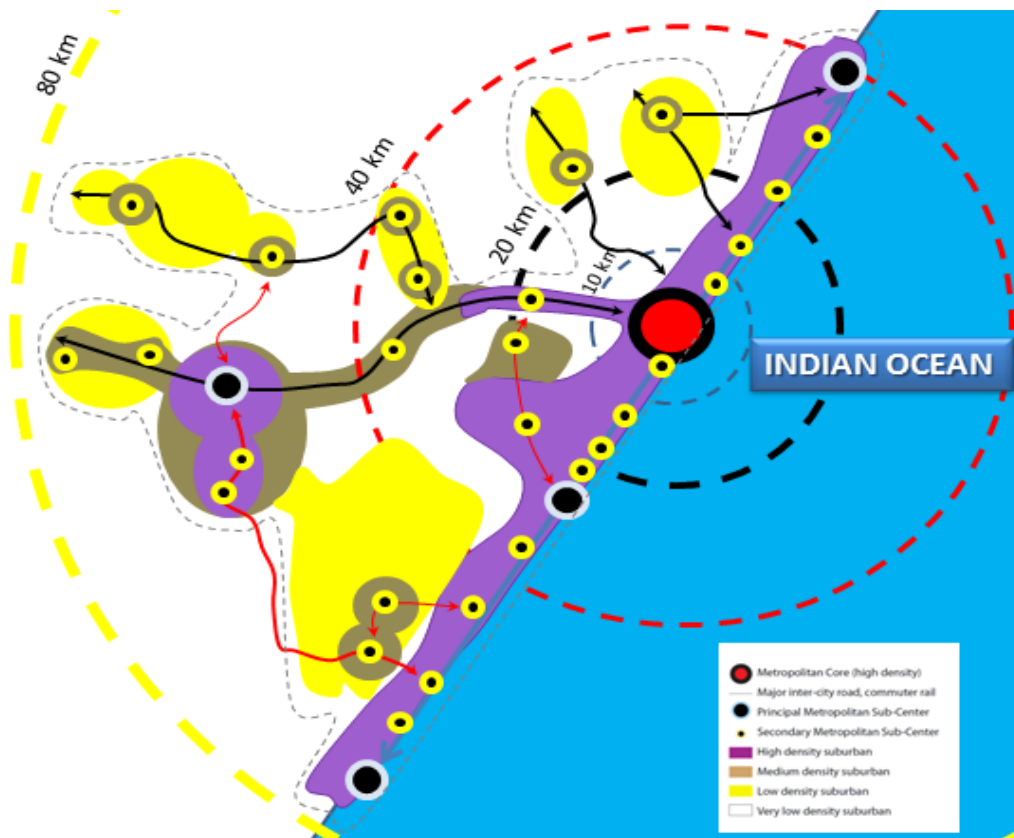
4.2.10.4 Tertiary Corridors

These corridors are mainly envisaged for movement purposes with direct access to properties permitted and high pedestrianized activity.

The following roads have been identified as the tertiary corridors:

- Road from Hibberdene to Msinsini
- Road from St Michaels to Gamalakhe
- a route that runs from Nkuswana-(D0920) via Thonjeni-Nkulu (D1085)-N2-Sunshine to Nqabeni
- a route that runs from Moguntia to Maryland; and
- Road from Margate to Gamalakhe.

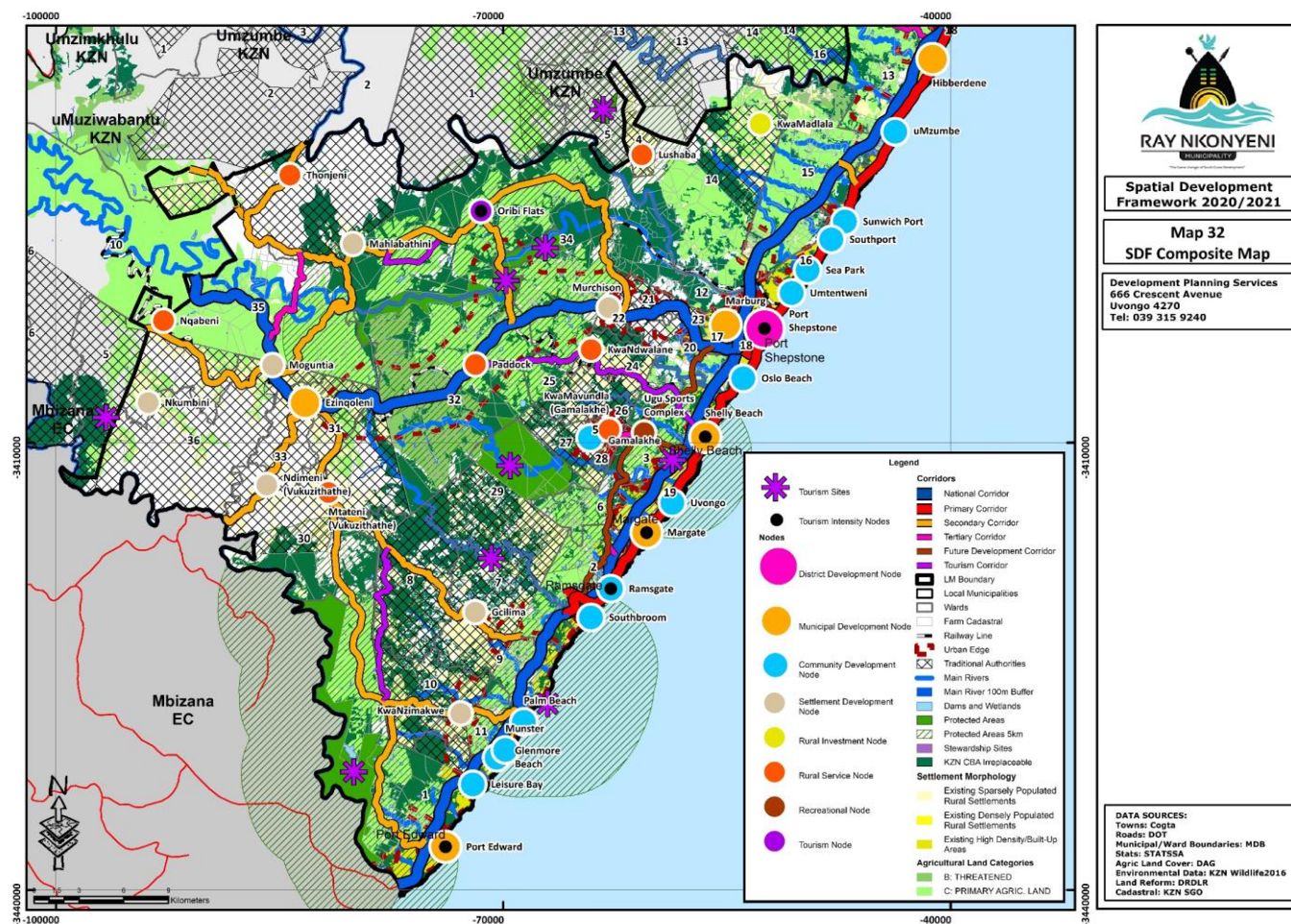
Illustration 4: Future Spatial Form of Ray Nkonyeni



The future polycentric Ray Nkonyeni will bring jobs to residential areas and housing opportunities to job centres rather than merely transporting people between the two. It will create complete nodes where people can live work and play that are efficiently connected by public transport. It will bridge spatial and social barriers and build a framework for a spatially just municipal area.



Map 17: Ray Nkonyeni Spatial Development Framework, Source: GIS Unit 2020



Source: RNM GIS 2018



4.2.10.5 Tourism Development Corridors

Corridor aims at promoting and facilitating tourism development. The identified tourism development corridors include:

- P69 linking Munster and KwaNzimakwe TC
- P262
- D251
- P732 linking Southbroom and KwaXolo TC
- P55 linking Murchison, Nyandezulu Waterfalls and Oribi Gorge; and
- D1095 linking Port Edward, Ezingolweni and passing through Red Dessert

Another, potential tourism corridor route is located along the Port Edward to Ezingolweni east/ west link. The Route consists of a number of Cultural and Tourism opportunities such as the Red Desert, the Umtamvuna Nature Reserve, the Space Centre, KwaXolo Caves.

4.2.10.6 Izotsha Corridor

This corridor is located on the west-southern part of Port Shepstone. It is intended to facilitate the expansion of the town through industrial, commercial and residential developments.

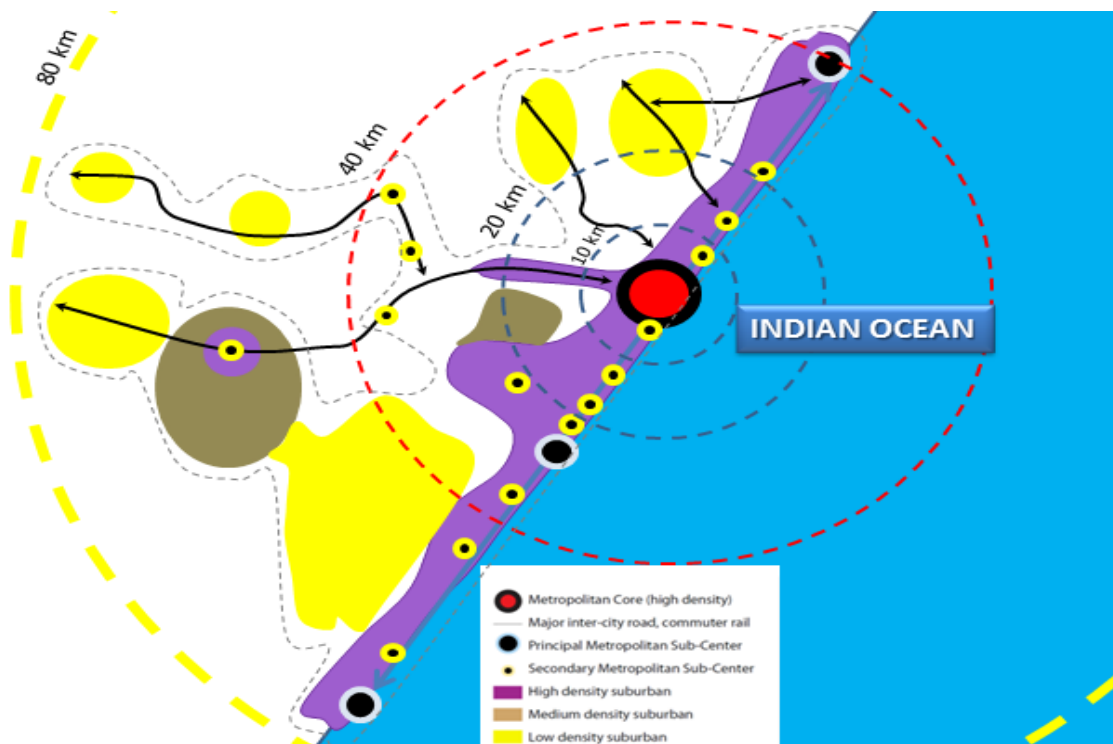
Industrial Hubs: Izotsha Industrial Development Corridor is a theatre of manufacturing and storage/ warehouse activities within the municipal area. The coverage of this area stretches to include properties located along the Izotsha Road, N2 and R102. Other industrial activities are found in towns such as Marburg and Port Shepstone which also extensively contribute in the economic growth of the municipality. In the illustration on the following page, the municipality has identified land along Izontsha Corridor and Hibberdene and Margate for future industrial development. Refer to



Official Center Opening



4.2.10.7 Future Development Corridor
Illustration 5: Future Development Corridor





4.2.11 Densification

Densification is a spatial structuring tool that can positively contribute to sustainable urban growth, should it be applied accordingly.

4.2.11.1 Gamalakhe Densification Monitoring

Gamalakhe Township was used as an example for the use of densification monitoring tool. This involved mapping and showing household increase between 2008 and 2011 up to 2013. The two illustrations follow show the densification of the township.

Illustration: 5 Gamalakhe Density 1

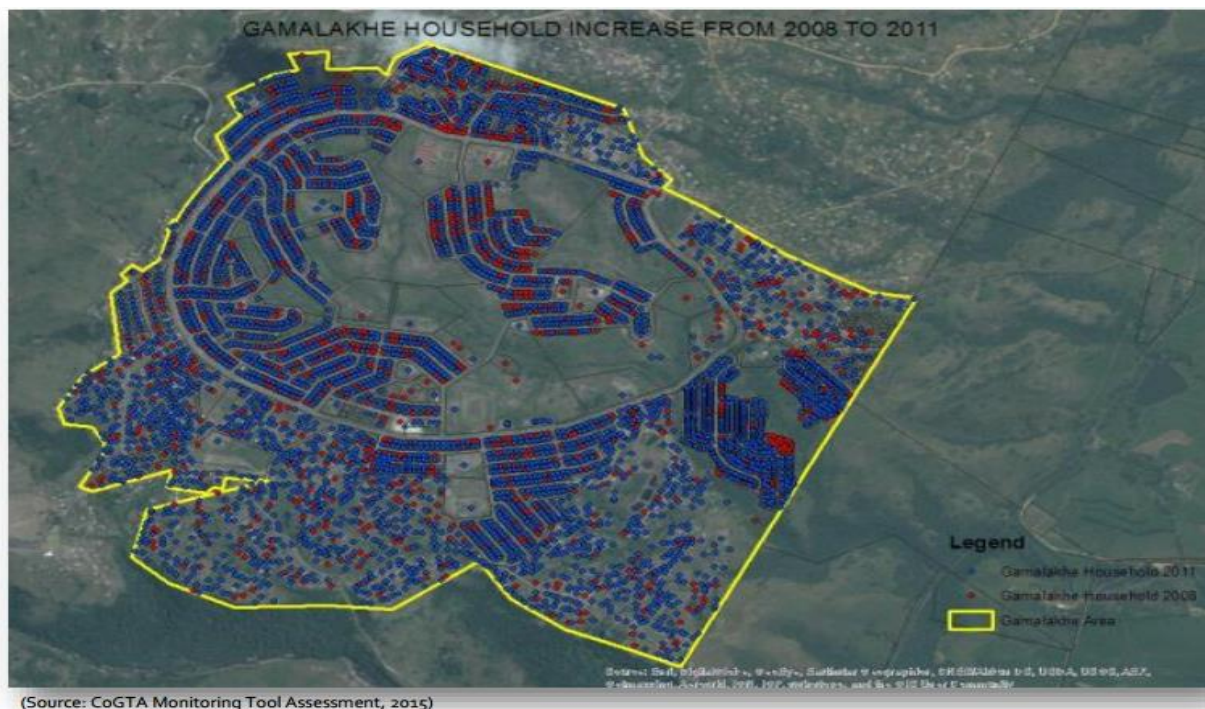




Illustration 6: Gamalakhe Density 2

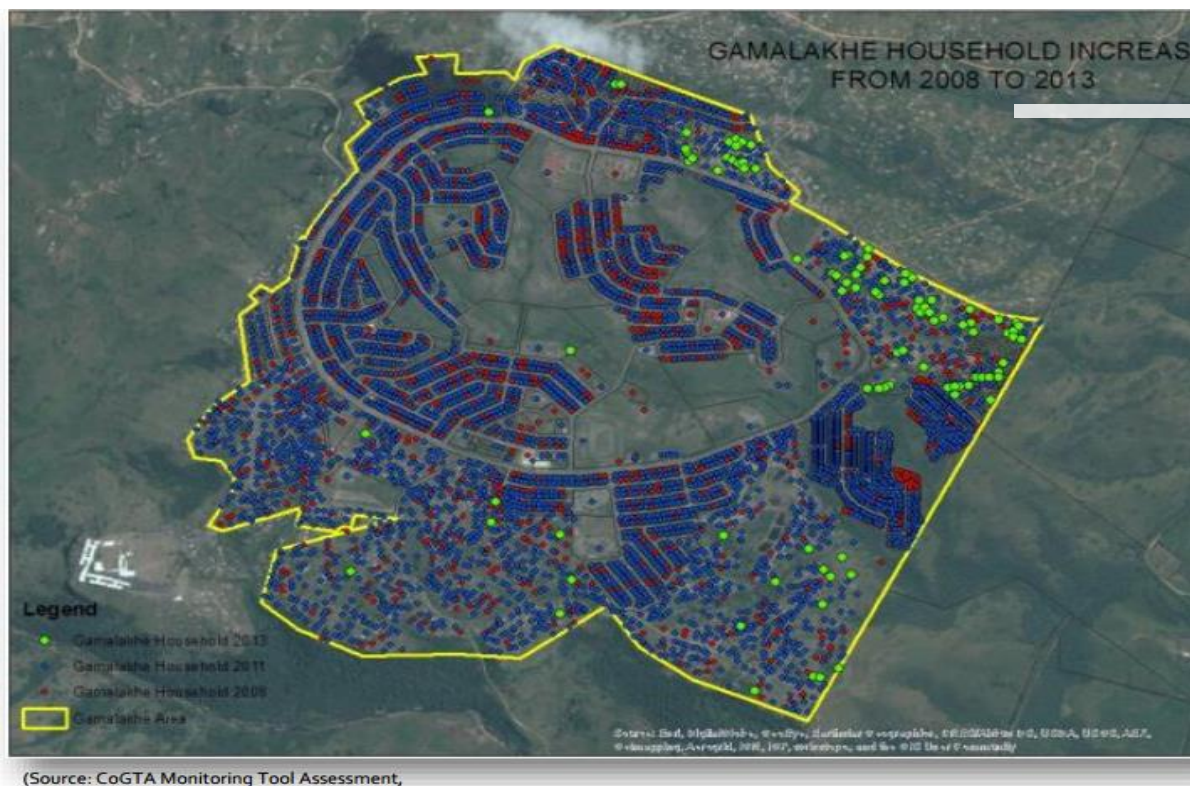


illustration: 7 Gamalakhe Density 2

4.2.12 Cross-Border Alignment Issues

As per the National and Provincial policies and legislation (MSA-S26 (d), MSA Regs S2 (4) (h), municipalities are required to provide a clear indication of how the SDF is aligned with the planning of neighbouring municipalities. Ray Nkonyeni Local Municipality has a mandate to ensure that its IDP is in compliance with the planning legislation and policies to give effect to the development of an SDF as spatial representation of the IDP. There is a structure of planners that was established to ensure continuous alignment.

4.2.12.1 Umuziwabantu Local SDF

The following alignment issues between Ray Nkonyeni and Umuziwabantu will need to be taken into consideration: -

Primary Corridor: Umuziwabantu SDF identifies the N2 which traverses both Municipalities. This serves as both the activity and economic corridor for the three municipalities.

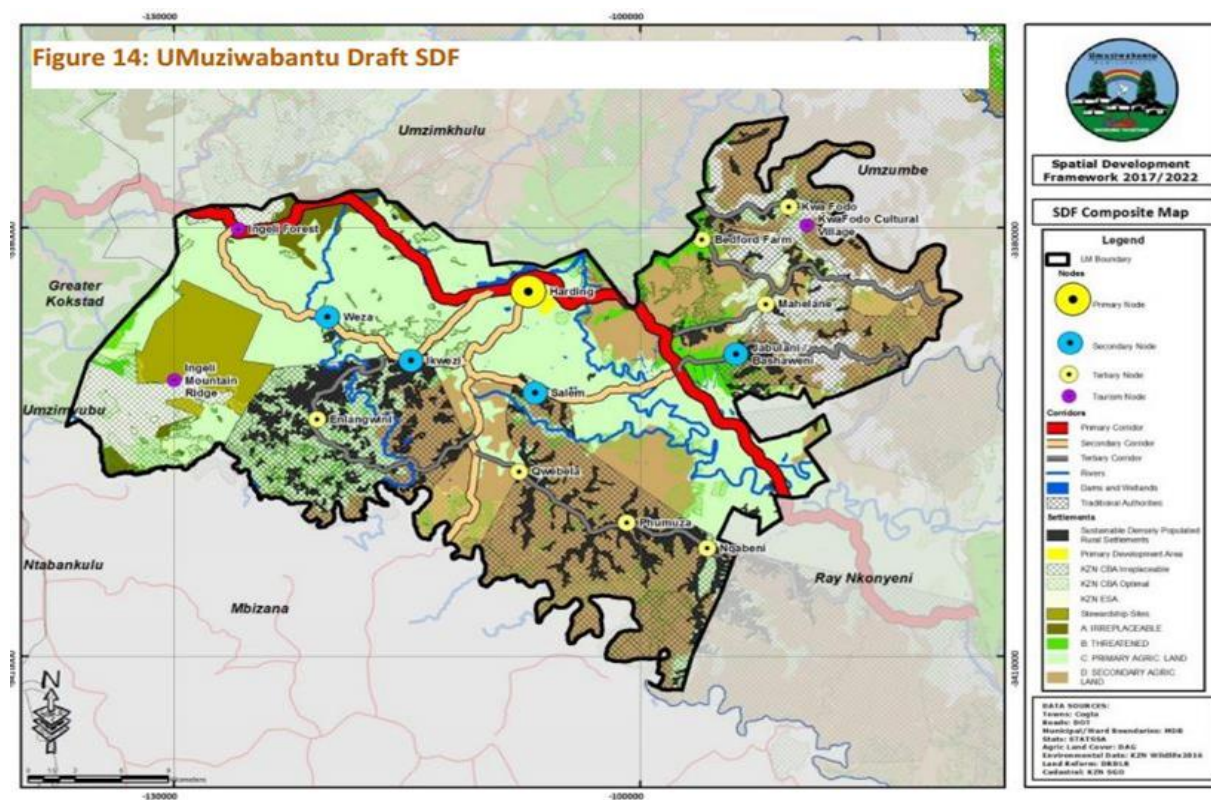
Primary Agriculture: Umuziwabantu Municipality identifies the opportunity for agriculture which borders the municipality. This aspect is being acknowledged on both Ray Nkonyeni and Umuziwabantu.



Environmental Conservation and/ Conservation Corridor: there is also environmental conservation uses bordering the Umuziwabantu Local Municipality which should be considered through the use of buffering around the environmental sensitive environments.

Land scape corridors linking the coast and the berg occur from Ray Nkonyeni to Umziwabantu and beyond.

Map 16: Umuziwabantu SDF



Source: Ugu Draft SDF, 2018

4.2.12.2 Umzumbe Local SDF

Umzumbe Municipality is located on the north-east of Ray Nkonyeni Municipality. It is a predominantly rural municipality which is also considered to be a peripheral to the economy of Ray Nkonyeni Municipality. The key alignment issues include the following:

The N2 route linking both municipalities is identified as a primary corridor.

Primary east-west corridors link the coast to St Faiths in Umzumbe LM. This takes on the form of the P68, which connects St Faiths, Dweshula and Assissi in Umzumbe, to Port Shepstone. In addition, the P286 (which forms an important route through the central part of Umzumbe to the north) connects Msinsini in Umzumbe to Hibberdene in Ray Nkonyeni.

Specific attention should be drawn to the proper management of the coastal strip and associated development along the coast. The linkage and coordination of tourism activities along the coastal



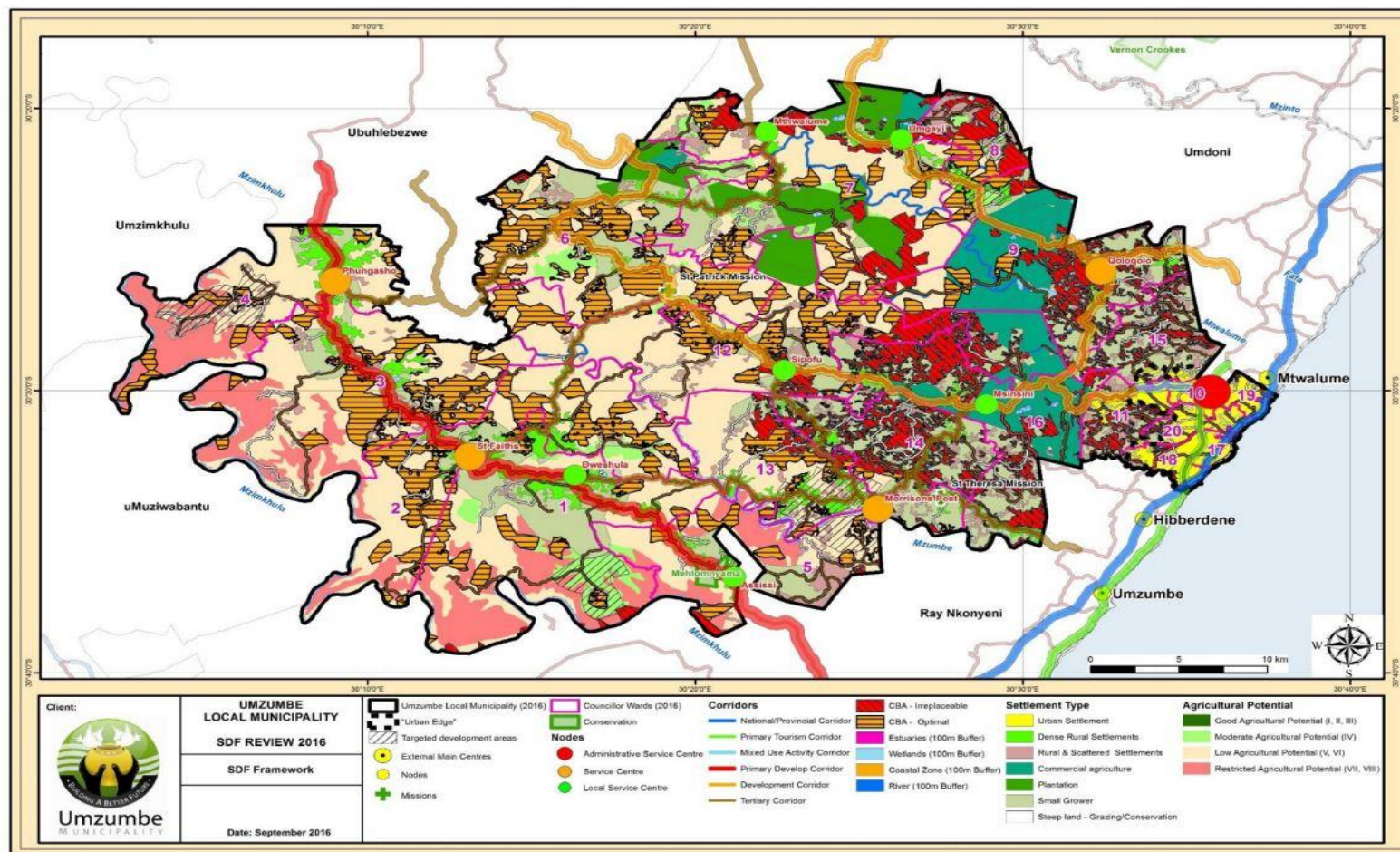
tourism is also a matter of importance. The urban part of Umzumbe is Mtwalume which stretches all the way down to the Hibberdene urban area in Ray Nkonyeni Municipality. This may pose conflict with Ray Nkonyeni Municipality spatial landscape because the adjoining settlements are very different between this part of the boundary.



Oribi Gorge



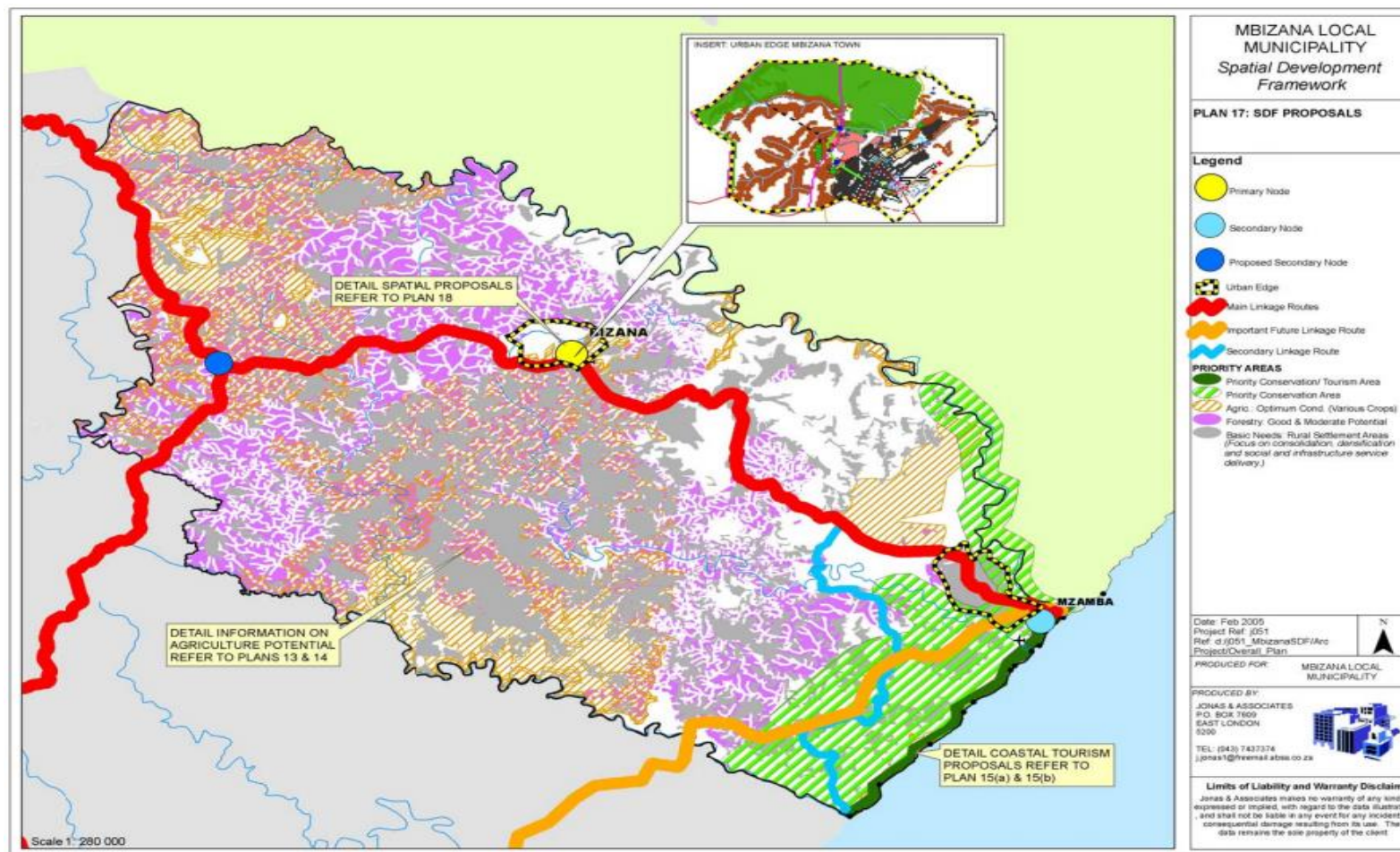
Map 17: Umzumbe SDF



Source: RNM GIS 2017



Map 20: Mbizana SDF



Source: RNM GIS 2017



4.2.12.3 Mbizana Local SDF

Mbizana Local Municipality is predominantly rural and comprises of Bizana town as a centre. It is one of the areas that heavily depend on Ray Nkonyeni for the agglomeration of commercial and social facilities which are found within it. These include the nearby Port Edward and Port Shepstone.

4.2.13 Environmental Management

4.2.13.1 Environmental Analysis

i. Rivers, Hydrological Water Features and Ecosystem

The Municipality is richly blessed with numerous naturally occurring water bodies which range from riverine systems, wetlands, wet marshes and most importantly the ocean. Most rivers run in an easterly direction from high altitudes and finally channelling into the warm Indian Ocean. In total, the municipality boasts of twenty seven (27) rivers in total. The most important rivers in the context of the municipality are:

- Mzimkhulu River
- Mtamvuna River
- Mbizana River
- Vungu River
- Mzumbe River; and
- Mzikhulwane River

The banks of these rivers contain high value biodiversity such as natural vegetation and ecosystems. The municipality is also characterised by a number of wetlands areas which are connected to the major catchments areas such as the rivers and the ocean. As can be seen on the Table below, the UMzimkhulu and Mtamvuna are the two major perennial rivers found within the municipality.

According to the Ugu Biodiversity Sector Plan (2014), the sub-quaternary catchments for the UMzimkhulu, Mtamvuna and portions of the Mtwalume catchment have been identified as National Freshwater Ecosystem Priority Areas (NFEPA) which are a priority for meeting national aquatic conservation targets.

Furthermore, it is also important to note that these two major perennial rivers are identified as being in a good condition (A/B class) despite the current levels of modification in the district (Ugu Biodiversity Sector Plan). In the context of Ray Nkonyeni Municipality, the Ivungu River is identified as being moderately affected by modification (C-class). Following is a table illustrating this information.

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4.2.15 Environmental Sector Plans

4.2.15.1 Environmental Management Programme (EMP)

The EMP will support decision-making in the RNM area in order to facilitate appropriate and sustainable development. The EMP must:

- Identify the geographical area to which the EMP applies; specify attributes of the environment the area including the sensitivity, extent interrelationship and significance of those attributes; identify any parts in the EMP area to which the specified attributes relate;
- state the conservation status of the area and/or its relevant parts;
- state the environmental management priorities in the area;
- indicate the kind of activities that would have a significant impact on the attributes in the area and those that would not;
- indicate activities that would be undesirable in the area or in specific parts of the area; and
- meet any other requirement specified by the Minister or MEC



The effective implementation of this plan will ensure that all environmental impacts are avoided or minimized. All possible alternatives must be assessed during the designing and planning phase of any development no matter its magnitude. The development must take three (3) things into consideration during any phase of the development and these are:

- (i) Engineering- the practicality of the development from an engineering point of view;
- (ii) Environment- the impacts associated with the development on the receiving environment; and
- (iii) Socio- Economics- the impact which the development is likely to have on the receiving community both on social and economic perspective.

The objectives of the EMP are to:

- Provide a pro - active, feasible and practical working tool to enable the measurement and monitoring of environmental performance by the Municipality;
- Identify geographical areas in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA);
- Ensure that the construction and operational phases of any development continue within the principles of Integrated Environmental Management.
- Encourage minimum disturbance of all natural environment;
- Provide generic actions deemed necessary to assist in mitigating the environmental impact of developments in general;
- Comply with all applicable laws, regulations, standards and guidelines for the protection of the environment; and
- Encourage sustainable development.

The municipality has developed and adopted a number of Environmental Plans. These include:

4.2.15.2 Coastal Management Programme

The Programme aims to facilitate the coordinated, collaborative and participatory management of the municipality's coastal zone by the RNM, Ugu District Municipality (DM), National and Provincial organs of state including parastatals, the private sector, key coastal communities, civil society organisations, and the public as a whole. The ultimate purpose of the Programme is to ensure that the coastal zone is sustainably managed, that the benefits thereof are maximised, existing and potential conflicts and harmful effects are minimised, and access to this precious resource is enabled for all citizens of South Africa and the municipality.

4.2.15.3 Greening Plan

The result of high population densities is environmental degradation, especially in areas where no planning of parks and tree planting in streets and open spaces. It is a fact that rapid urban development is characterised by lack of environmental planning. Effective environmental planning, including urban and rural greening, can assist greatly in improving the quality of the environment and the livelihoods of the people who live in these areas.

Against this background, there is a clear need for practical and aggressive action plan, which will enable the municipality to assist in the pressing issues of environmental sensitivity, reduce the municipality's carbon footprint and make positive contribution to increasing the quality of environment for the municipality and effectively the World.



Thus, in response to this, the municipality has developed a Greening Plan which aims at enhancing the quality of environment to the municipality in the economic, social and environmental aspects.

4.2.15.4 Estuarine Management Plans

The combined Estuarine Management Plan for seven (7) out of twenty seven (27) estuaries, will:

- Fulfil the requirements of Section 34 of the ICM Act, which includes the facilitation of public participation;
- Be consistent and aligned with the Protocol, the National Coastal Management Programme and any other applicable coastal management programmes, including the Ugu and Ray Nkonyeni Municipal Coastal Management Programmes;
- Seek to achieve the National Vision and Strategic Objectives for estuarine management; and

Contain/meet the minimum requirements stipulated in the Protocol which provides the Framework for Estuarine Management in South Africa.

4.2.15.6 Strategic Environmental Assessment (SEA)

The main objective of the SEA is to strengthen and streamline Environmental Impact Assessments by addressing a broader range of alternatives like; addressing cumulative effects through the identification of limits of acceptable change for a particular area. It will further facilitate the maintenance and enhancement of a chosen level of environmental quality, which can provide a context for EIAs within the Municipality. An amount of one million has been set aside for the SEA for the 2020/21 financial year.

4.2.15.7 Alien Invasive Management/ Control Plan

The Control Plan has been developed following the guidelines for the development of Invasive Species Monitoring, Control and Eradication Plans ("the Guidelines") which were published in September 2015. It will be adopted in this current financial year. A total of 131 invasive alien species (IAS) have been identified on the municipality's properties. Five items have been identified for successful planning and implementation of the Control Plan:

- coordination
- resourcing
- prevent the introduction of emerging IAS and extirpate where possible
- Control of established IAS and awareness.

A number of organizations' and departments implement invasive species projects within municipality and focus on various species.

4.2.16 Functional Environmental Structures within the Municipality

The municipality has active Environmental structures. Below is the list of these and functionality:

- **Municipal Environmental Sub Committee** -sits on a quarterly bases
All environmental issues within the municipality are discussed by this committee
- **Invasive Alien forum**-Sits quarterly
The Forum discusses progress on alien invasive control plans developed by the municipality, control of new weeds that may have grown



- **Coastal Management forum-** sits on a quarterly bases
Issues discussed in this Forum entail encroachments, illegal development, and progress on estuarine as well as health status on estuaries
- **Working for the Coast forum-** sits on a quarterly bases
Update on progress with regards to the municipality deliverables as well as issues experienced on site are key discussions in this forum
- **Environmental Education and awareness forum-**sits monthly
Report back on all events that may have taken place as well as support from other sector departments who deal with environmental issues are some of the issues discussed in this forum
- **Ugu District pollution and waste management Forum.** The Forum sits once in a quarter. Regulations from National as well as information session on how other municipalities manage their waste is part of discussion in the Forum

4.2.17 Climate Change

The effects of climate change in South Africa are not limited to increased water scarcity in some parts of the country and drastic qualitative changes in the water supply, but extend to losses in biodiversity and rangelands, which impacts in the farming and agricultural sector, as well as possible increases in infectious and respiratory diseases. Climate change will have a significant impact on food availability, food accessibility and food systems stability. Climate change affects the large proportion of South Africa's population who have a low resilience to extreme climate events due to poverty, inadequate housing infrastructure and location.

Climate change affects the decision making processes of the vulnerable poor people in South African communities, such as; where they choose to live and which areas are sustainable for their livelihoods. In some households people survive on subsistence farming as they may not have the opportunities to access formal employment channels neither are they close to any public facilities which could enable them to access employment opportunities. Therefore in such cases subsistence farming becomes a way of life and survival.

However because of climate change, this form of livelihood is mostly threatened leaving subsistence farmers vulnerable to drought or forced to relocate from one area to another, where there is rainfall or access to water in order to survive. In some cases the inability to access potable water forces people to relocate into other areas where water is available. These patterns then directly affect settlement patterns, in terms of where most informal settlements tend to conglomerate within a Municipal area. Furthermore they determine which parts of municipal areas have the most sporadic development of informal settlements despite efforts by planners and local authorities to curb housing backlog and demand. Climate change may also influence the switch from subsistence farming as a form of livelihood to people moving closer to areas in which they can access public facilities or areas of mobility such that they have access to economic opportunities in the market.

Cities are also required to deal with the rising threats of climate change and dwindling resources. These constraints mean that cities that do not plan adequately will face higher costs to residents,



a decline in welfare, and reduced economic competitiveness. Preparations for these circumstances typically require decades of forward-thinking development guidance.

The effects of climate change has been experienced in the municipal area both inland and coastal areas over the past few years. The 2008 floods destroying many houses mainly at Murchison/Bhobhoyi area which happened together with the tidal surge destroying a lot of public infrastructure and private property along our beaches. The response on the inland has been to rebuild most of the destroyed houses and on the coast restoring public infrastructure with latest (soft) engineering requirements. Ever since 2008 almost every year the municipalities more than one flash floods affecting some of its communities. Damage private property and public infrastructure is experienced. Climate change is recognized as the major environmental problem facing the globe. Escalating greenhouse gas emissions contribute towards climate change and will ultimately impact on human health, food security, natural resources, sea level rise, land loss and coastal infrastructure. Climate change embraces far more than temperature change and may include changes in rainfall patterns, sea level rise, and the spread of infectious disease such as malaria, increase alien vegetation invasion and loss of biodiversity.

Climate change is likely to cause a number of challenges for Ray Nkonyeni Municipality, linked to global impacts such as increased temperatures, extreme weather events (e.g. flooding and drought), sea level rise and climate variability. As such, climate change runs the risk of undoing all of the development gains of the last one and a half decades; climate change adaptation in all sectors will have to become one of the Municipality's top development priorities.

Temperatures in the Ray Nkonyeni are likely to increase by 1.5°C and 2.5°C by 2065 and by 3.0°C and 5.0°C by 2100. Projected annual rainfall changes are likely to include an increase in aggregated rainfall by 2065 with an increase of up to 500 mm by 2100. This increase is likely to be manifested as an increase in extreme rainfall events and stream flow intensity across the municipal area with prolonged dry spells between rainfall events. Sea level rise along Municipality's coastline is already occurring at 2.7 cm per decade and may accelerate into the future. (Source: <http://www.epa.gov/climatechange/science/future.html> - 20 March 2015)

Climate change impacts for the Ray Nkonyeni may include:

- An increase in the frequency and intensity of floods and droughts;
- A decrease in water availability due to changed rainfall patterns and increased evaporation; this will affect subsistence dry land farmers the most.
- An increase in erosional capacity of river courses, resulting in the loss of more top soil, thus decreasing the agricultural value of land and increasing siltation in dams.
- Infrastructural damage as a result of extreme weather events causing flooding, affecting human wellbeing and safety as well as insurance costs;
- An increase in erosion of coastal areas due to sea-level rise;
- Higher energy consumption due to increased residential cooling load;
- An increase in economic losses due to property damage and decreased tourism revenue;
- An increase in heat-related vector-borne (e.g. malaria) and water-borne (e.g. cholera) illnesses;
- An increase in heat stress, leading to dehydration, particularly for those that reside in the urban areas, as well as children and the elderly;
- Changes in the geographical distribution of plants and animals with extinction of species that are unable to move and an increase in the prevalence of alien invasive species. This



will negatively affect the biodiversity of the Municipal Area and the associated goods and services;

- Further loss of critically endangered grassland habitats as they are outcompeted by woody species able to utilize the higher concentrations of CO₂ in the atmosphere.
- A reduction in yield of staple food crops, such as maize;
- Changes in the optimal planting and harvesting dates for crops as well as land suitable for crop production;
- Heat stress increasing livestock and poultry mortality rates;
- An increase in respiratory problems in the city due to a decrease in air quality (e.g. changes in the concentration and distribution of near-surface ozone) and increased dampness; and
- Deterioration of foods leading to increased incidents of food-borne diseases.

The areas particularly vulnerable to sea-level rise are coastal wetland and dune ecosystems. Shoreline Management Plans are required to determine what adaptation interventions if any are required now or in the future. To respond to these changes the Ray Nkonyeni has to develop a similar approach that was initiated by the Ethekeuni Municipality, by initiating the Municipal Climate Protection Programme (MCP) in 2004. This was a phased programme, which has focused on climate change adaptation and

enhancing the city's ability to cope with climate change impacts. The likely climate change impacts have been assessed and plans, programmes and projects have been developed to assist the Municipality in dealing with these impacts.

The mitigation and adaptation work streams of the MCP are located in the Energy Office and the Environmental Planning and Climate Protection Department respectively. The issue of energy challenges and demand to reduce use of traditional electricity thereby reducing our emissions as the country is also on the agenda for the municipality. In this regard Eskom has offered second round of distributing energy efficiency globes. The municipality is also exploring ways to switch to energy saving alternatives in its traffic and streetlights as well as all public infrastructures in the municipal area. The use of solar for heating water and lighting is being considered. A total of seven projects have been submitted as applications to the Green Fund's window that opened towards the end of 2012 and the results are awaited.

Ugu has developed a Climate Change response which states that SDF's provide key entry points for addressing pressing climate change related issues and climate change responsive spatial development planning will be critical to the long terms sustainability of the Ugu DM. Apart from support climate resilient development, failure to take climate change impacts into account could deem municipalities liable for damage and losses resulting from negligent planning decisions. The municipal SDF should consider climate change impacts on the following areas:

- Sensitive, vulnerable, highly dynamic and stressed ecosystems in the municipal area
- Vulnerable neighbourhoods;
- Desertification;
- Soil loss;
- Ecologically sensitive areas;
- Drought vulnerable areas;
- Flood risk areas or low-lying areas;



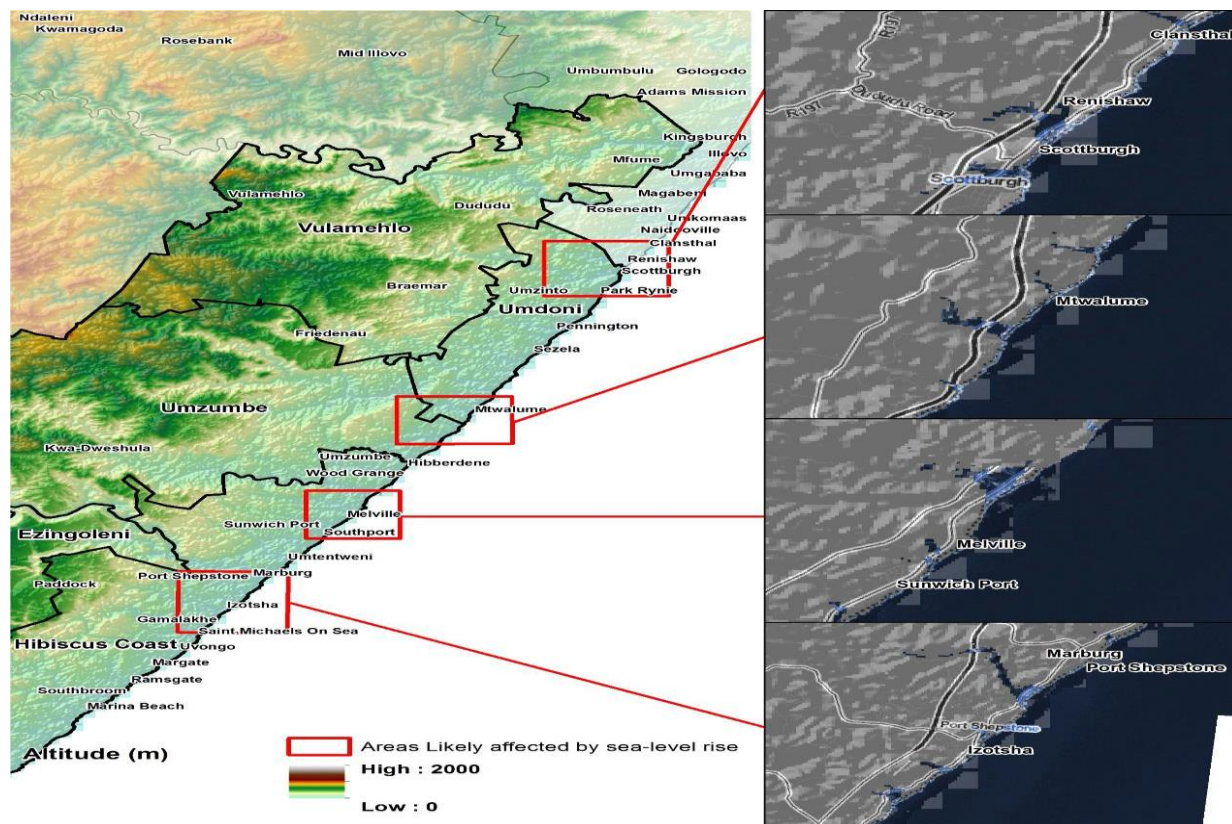
- Estuaries;
- Infrastructure and facilities in close proximity to the ocean;
- Impact of deforestation and the land use changes that may result from climate change and migration;

Response Options are identified as follows:

- Map vulnerable areas (flood lines, etc.) and implement development bans in highly vulnerable zones;
- Implement land use planning and zoning to avoid building and development infrastructure in hazard prone areas;
- Relocate existing development away from areas of high risks;
- Strengthen building code requirements according to increased risks of flooding, heat waves, intense storms on building and infrastructure development projects;
- Maintain and upgrade drainage systems;
- Consider permeable pavements, green roofs and rain tanks to increase on-site retention of storm water;
- Building regulation to ensure efficiency in all new buildings – monitor and enforce and encourage best practice development;
- Densification of land use through zoning regulations to support high density living and work and mixed use;
- Development preference given to developments on priority nodes;
- Ensure thorough planning reduces incidence of unplanned population and economic growth and ensure contingency for unplanned settlements/growth; and
- “Smart growth” planning—a strategy that highlights high-density, mixed-use, transit-oriented development— also has other goals, such as maintaining open space, farmlands, and other natural areas and directing city resources toward existing communities rather than diverting them to new development in outlying area



Map 21: Areas likely to be affected by Sea level rise



Source: RNM GIS 2017

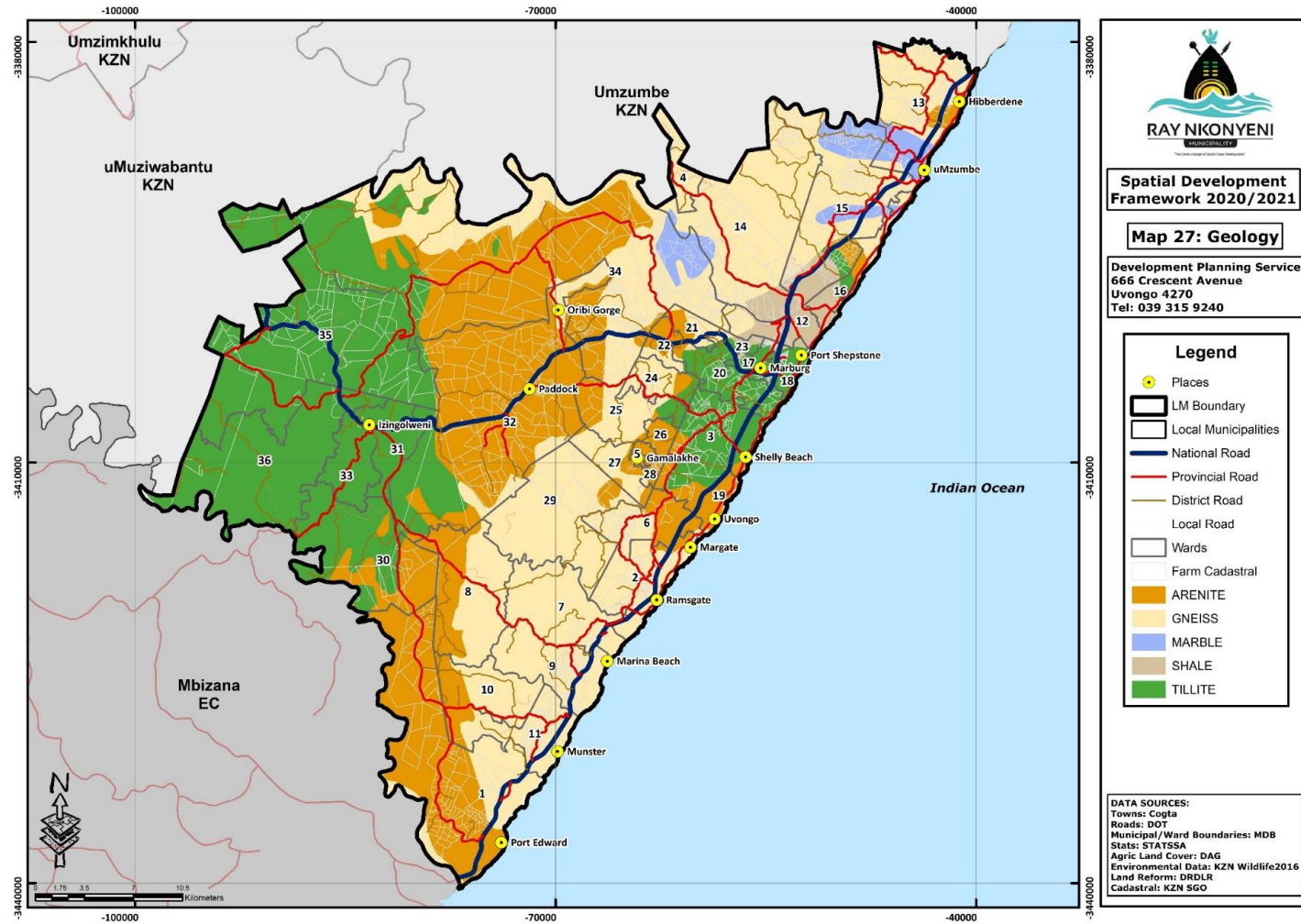
Sea level will increase the inundation and saline intrusion risk to low-lying coastal areas. Also at risk are estuaries and river mouth areas. The increase in ocean storms that is projected to take place in the Indian Ocean will drive heightened storm surges that when exacerbated by rising sea level could damage areas of lower elevation and rivers. The damage caused may result in loss of land as well as ecological damage and risk to community livelihoods. The above map indicates areas and infrastructure that are at particular risk from the impacts of sea-level rise. (Source: Ugu Draft Climate Change Response Strategy- 2016).

4.2.18 Geology

The soil geology of the municipality is covered by seven geological formations, with the predominant being the Margate gneiss, followed by Msikaba Arenites, Gneiss, Tilleite, Shale, Marble and Natal Group Arenite. Margate gneiss originates from a high grade metamorphic rock which implies that it has been subjected to higher temperatures and pressures. It is formed by the metamorphosis of granite or sedimentary rock. Gneiss displays distinct foliation, representing alternating layers composed of different minerals. Below is the illustration of the geology of the municipality.



Map 22: Geology, Source: GIS Unit 2020





4.2.18.1 Soil Type

Soil is a natural body consisting of layers (soil horizons) of minerals of variable thicknesses, which differ from the parent materials in their morphological, physical, chemical, and mineralogical characteristics. It is composed of particles of broken rock that have been altered by chemical and environmental processes that include weathering and erosion. Soil differs from its parent rock due to interactions between the lithosphere, hydrosphere, atmosphere, and the biosphere. It is a mixture of mineral and organic elements that are in solid, gaseous and aqueous states.

4.2.19 Air Quality

Air quality in RNM is regulated via the Ugu Air Quality Management Plan which acts as a guide for air quality management activities and ensure that air quality meets the requirements of the National Environmental Management Act which basically relates to the provision of air that is not harmful to health and wellbeing. The UGu Districts vision in respect of air quality management is as follows: Air quality in UGu District continues to be the envy of South Africa". As such, the municipality has developed four goals to assist in achieving the vision. The four goals are described as follows:

- Goal 1: Air quality governance which meets all legislative requirements;
- Goal 2: The establishment of tools and systems to effectively manage air quality
- Goal 3: Provision of air quality management with participatory systems as an integral component
- Goal 4: Ensure sufficient capacity requirements are met in order to carry out air quality management functions

According to the UGu District Air Quality Management Plan (2012), the following activities are indicated as the main sources of air pollution in UGu, namely:-

- Industrial and mining activities;
- Motor vehicle traffic on main roads and in popular coastal towns;
- Residential areas where wood is used for cooking and heating; and
- Sugar cane burning and other agricultural burning.

4.2.19.1 Emissions from Industry and manufacturing

Ray Nkonyeni Municipality has a high number of industrial and manufacturing activities which produce toxic emissions in comparison to the other municipalities in the District. This is mainly due to the fact there is relatively much industrial activities in Municipality, with the location of two major industrial basins in Uvongo and Marburg and limited activity in the areas of Hibberden and Margate. (Source: UGu DM Air Quality Management Plan, 2012).

The environmentally sensitive areas were identified during the situational analysis. . Essentially, the key goal is to promote conservation related land usage within these areas. The formally protected areas within Ray Nkonyeni Municipality are as follows:



Table 33: Protected Areas

Site	Date Proclaimed	Extent (Ha)
Oribi Gorge Nature Reserve	1950	1745,7
Skyline Nature Reserve	1986	17,1
Mbubazi Nature Reserve	1986	2022,9
Mehlomnyama Nature Reserve	1908	160,6
Umtamvuna Nature Reserve	1971	2653
Mpenjanti Nature Reserve	1985	94,9
Trafalgar Marine Reserve	1979	552

Source: Ugu Bio-diversity Sector Plan (2014)

Table 34: Ecological Support Areas

Ecological Support Areas		Requirement
Freshwater Systematic Conservation Assessment (FSCA) Wetlands		100m
CBA Perennial Rivers, KZN Flagship Rivers and National Flagship Rivers		70m
Non Perennial Rivers		70m
Freshwater Ecosystem Priority Areas (FEPA) Priority Wetlands and KZN Priority Wetlands		500m

Source: Ugu Bio-diversity Sector Plan (2014)



4.3.19.2 Programs aimed at protecting the environment

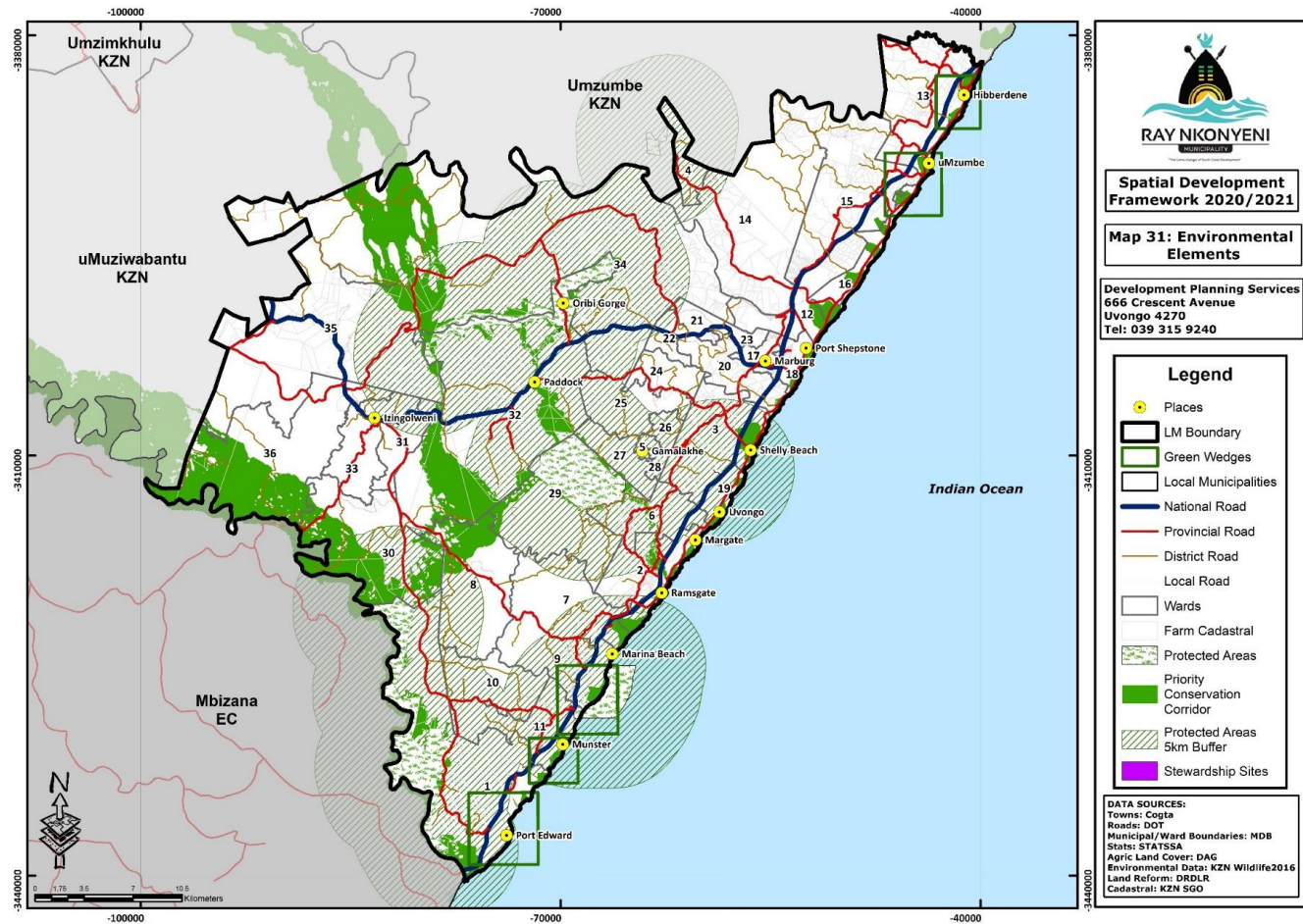
Table 35: Projects aimed at protecting the environment

Programme	Description
Arbour day	Arbour day is celebrated annually where environmental awareness is presented to communities, schools and households, Indegenouse as well as fruit trees are distributed.
Wetlands Audit	Wetlands are first identified within the municipality. Communities/ schools near identified wetlands are encouraged to adopt and manage them. The municipality currently faces financial constrains in te4rms of funding this programme.
Red Dessert Stewardship program	The municipality together with private land owners identified environmental sensitive land and partnered to proclaim it a protected area. This area has bio-diversity species. People are encouraged to visit this area to learn about the importance of nature preservation.

Communities, schools and business sector are capacitated on environmental issues through environmental awareness campaigns, school competitions and clean up campaigns (rivers, streams and waste). Environmental days are celebrated in collaboration with the District Municipality and Provincial Department of Environmental Affairs. Communities are educated on recycling and re use. There are also recycling competitions held with schools.



Map 23: Proposed Environmental



Source: RNM GIS 2018



4.2.20 Environmental SOWT Analysis

Table 36: Environmental SWOT Analysis

STRENGTH	WEAKNESSES
<ul style="list-style-type: none"> Partnering with the private sector and schools Awareness Programs in place Easy access to environmental protected areas <p>Rich soils for agricultural purposes</p>	<ul style="list-style-type: none"> Under staffed No environmental By laws
ORGANIZATION	THREATS
<ul style="list-style-type: none"> Abundant bio-diversity Eco-Tourism Abundant water resources ie rivers 	<ul style="list-style-type: none"> Destruction of admiralty reserve for sea view No coastal Management /setbackline Sewer spillage causes threats and destruction to aquatic habitat Drought Air emmissions from industrial areas

4.2.21 Disaster Management

4.2.21.1 Centre for Disaster Management

There is a Disaster Management Center based within the Fire station at Port Shepstone. There are also three Satellite Stations for Disaster Management which are located respectfully, at the Seaslopes Fire Station; Margate Airport; and at Izingolweni Fire Station. These Satellite Stations work in correspondence with the main station.

The Disaster Management has a practitioner's forum at a district and Municipal level. The municipality has a developed disaster management plan to comply with Section 26 (g) of the Municipal Systems Act No 32 of 2000. This is a review process to the existing plan. The comprehensive disaster management plan shall be suitable to the area and shall incorporate comments received from the Honorable MEC of the Department of Cooperative Governance and Traditional Affairs on the 2019/2020 IDP comments.

Brief overview on the Municipality's Disaster Management Department

It must be noted that the municipality prides itself with having all the required Sector Plans developed as regulated. It has also fully complied with Section 43(3) of DM Amendment Act of 2015.

Below is a brief overview of the Sector Plan

- The Municipality has a Disaster Management Sector Plan that is reviewed annually and also has a Disaster Risk Management Plan that is reviewed every 5 years;



- The Disaster Risk Management Plan expired in 2018 and it only has former Hibiscus Coast Municipality information. A Service provider was appointed to enhance the quality of disaster risk profiling mapping and new Disaster Management Sector Plan was completed in November and is awaiting approval from council. The new Sector Plan is a consolidated plan of Ray Nkonyeni Municipality, which includes former Hibiscus Coast Municipality and Ezingoleni Municipality information. However, the municipality also does its own risk profiling;
- In terms of reflecting on Disaster Management and fire and rescue service programmes, the municipality has awareness and educational programmes in vulnerable communities, schools, informal settlements, taxi ranks and traditional council areas; That will be detailed in the analysis later.
- There is an internal operations budget and dedicated disaster management vote to attend to emergency relief items
- The Unit complies with Section 43(3) of DM Amendment Act of 2015 by having the following:
 - Disaster Management Centre with 3 staff members and 36 fire fighters
 - Dedicated Budget and adequate resources for Fire and Rescue services
 - Dedicated disaster management vote and operations budget
 - Disaster Management Plans and Risk Reduction programs

i. Disaster Management Sector Plan (See attachment No. 7)

The Disaster management plan was reviewed in 2013 and will be reviewed in 2018, which has taken place already to update the risks and include new geographical areas.

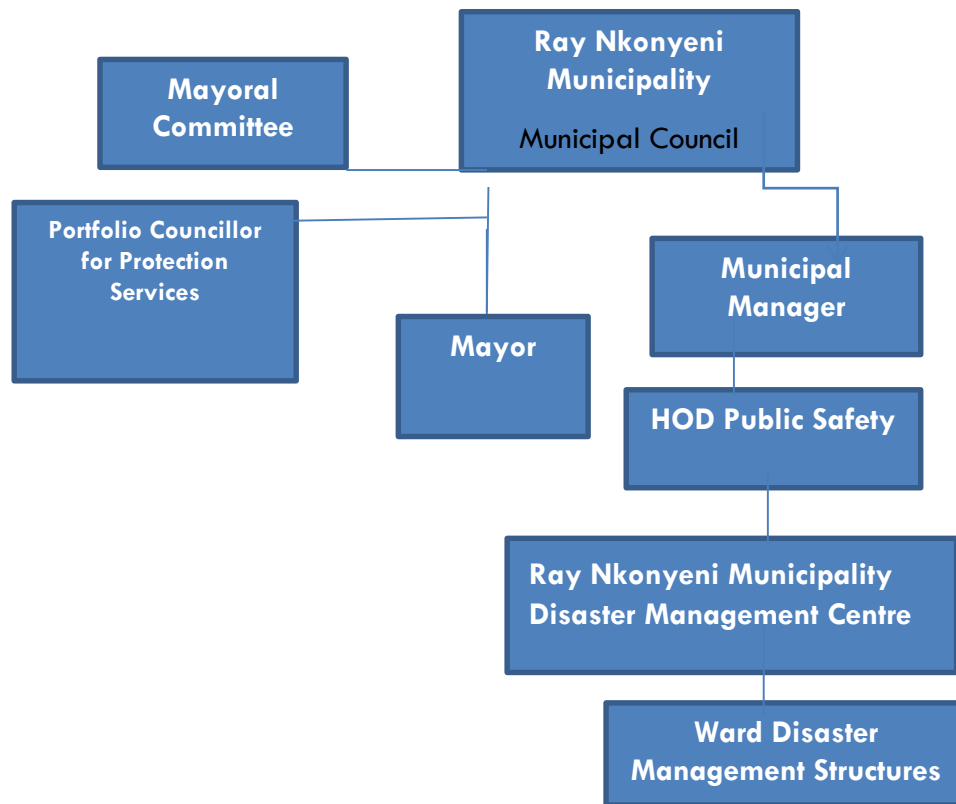
ii. Disaster Management Plan (See attachment No. 8)

In terms of section 45(1) (b) of the Act the district disaster management centre exercises its powers and performs its duties in accordance with the *directions* of Council and in accordance with the administrative instructions of the Municipal Manager. The line function of disaster management will remain under the Public Safety Department and the plan will also be incorporated strategically in the IDP as per the Cogta guidelines as an important plan for the municipality, this will be done through the alignment with the SDF and service delivery plans. Currently there is a Plan for both former municipalities and was consolidated and reviewed in July 2018

The current location of the centre is within Council's administration and reporting lines for direction and administrative purposes are illustrated in the chart that follows.



Illustration 7: Hierachy of the Disaster Management Structure



The Municipality has a centre with regards to communications and a 24-hour call centre and CCTV centre. The municipality is currently in a process of facelifting both the call center and the CCTV centre. The current location of the centre within Council's administration and reporting lines for direction and administrative purposes are illustrated in the chart on the following page.

Ray Nkonyeni Municipality envisages the following disaster management centres and fire stations in order to increase capacity and response in terms of disasters and firefighting:

- Gamalakhe fire station
- Hibberdene fire station
- Ezingolweni fire station
- Hibberdene disaster management centre and
- Margate disaster management centre

4.2.22 Risk Assessment

Disaster risk is dynamic. It is driven by a combination of hazard and vulnerability processes, including changing patterns of land-use, infrastructure development/maintenance, urban growth and settlement densification. Similarly, household size and composition, health status and level of livelihood security affect household potential for loss. Some risks, particularly those triggered by climate processes, must be reviewed seasonally prior to the rainy season or hot summer months. Other risks, such as flood risk, require extensive flood hydrology investigations, and maybe undertaken once during a 20-year period. The municipality is engaging with 300 volunteers from all Wards.



Risk Assessment must be undertaken to:

- Ensure that development initiatives maximize their vulnerability reduction outcomes; and Anticipate and plan for known risks or disasters to prevent losses and limit endangering impacts.
- The design and methodology adopted for conducting disaster risk assessment for RNM is consistent with the national guideline and standard.
- The Disaster risk assessment must determine the level of risk in RNM by; Identifying potential hazards and/or threats assessing the conditions of vulnerability that increase the chance of loss for particular elements-at-risk (that is, environmental, human, infrastructural, agricultural, economic and other elements that are exposed to a hazard, and are at risk of loss);
- Assessing impact and coping capacity
- Determining the level of risk for different situation and conditions setting priorities for action after prioritizing the hazards according to their risk factor; and
- Continuously monitoring capabilities, risk maps and risk scenarios

There are many different methods of carrying out risk assessments. In essence, the disaster risk assessment for the municipality was based on the following methodology:

- in future assessments, it may however be necessary to deviate, amend or adapt the methodology depending on the type of hazard being assessed:
- characteristics of the area, infrastructure, service or business concerned
- The urgency of the assessment and,
- The availability of relevant hazard and vulnerability information.

Aim of the assessment is to establish:

- which hazards are the most prevalent in RNM area;
- the frequency with which a significant event or disaster is likely to occur;
- which areas, communities or households are most at risk;
- which hazards (of certain intensities) are likely to have the most profound impact on RNM;
- what is the probability of the identified hazards impacting on RNM within a given time frame;
- what are the existing conditions of vulnerability and capacity (physical, social, economic and environmental) in the RNM area;
- which vulnerabilities could be exploited by the identified hazards (of different intensity);
- what capabilities or resources exist to manage the risk;
- what are the risk priorities of RNM;
- how are vulnerabilities being addressed through the Integrated Development Plan projects and other developmental initiatives;
- what other developmental initiatives are necessary to reduce vulnerability and therefore risk in RNM;
- Is the risk becoming progressively greater;
- Is the risk undermining development progress in the areas, communities and households it affects and if so,
- Is the management of the risk a development priority



Illustration 8 : Disaster Management Planning and climate change framew





4.2.22.1 Risk Reduction and Prevention

In order to ensure disaster risk reduction in Ray Nkonyeni Municipality the DMC must: monitor, assess, and co-ordinate Council's disaster risk management arrangements, placing particular focus on risk reduction strategies;

- collaborate, coordinate and monitor progress on joint projects and programmes and their integration into the IDP process; support the municipal Disaster Management Satellite Centre in its activities;
- review the disaster management plan of the municipality; review departmental disaster management plans and the plans of other municipal entities in Council's area annually to ensure that the plans are integrated, current, and consistent with Council's Disaster Management Framework;
- promote joint standards of practice across all municipality entities and line functions; monitor progress on the implementation of priority projects aimed *at risk reduction*; and
- Promote and support disaster risk awareness campaigns within the municipality as well as within communities.

4.2.22.2 Prevention and mitigation

In order to ensure disaster prevention and mitigation in Ray Nkonyeni Municipality the DMC must:

- provide the Disaster Management Satellite Centre with timely information and advice on disaster management related issues;
- ensure the application and enforcement of laws and by-laws by municipality entities relating to disaster management within their jurisdiction;
- promote structural and non-structural mitigation measures;
- develop appropriate prevention and mitigation strategies for the known hazard threat of Ray Nkonyeni Municipality; and
- Assist in the development of appropriate early warning systems for the municipal area.

4.2.22.3 Emergency preparedness

- In order to ensure emergency preparedness, the DMC must:
- ensure that all departments engage in contingency planning for all priority risks; plan for all residual risk after the disaster risk reduction initiatives had been taken into consideration;
- ensure and participate in desk top exercises on a bi-annual basis in order to keep up to date on roles and responsibilities in the activation and operation of the Disaster Management Centre;
- ensure a rapid and efficient response and recovery in the event a disaster threatens to occur or occurs in Ray Nkonyeni Municipality area;
- make recommendations to Council regarding disaster management matters; and
- Make recommendations to Council on the declaration of a local state of disaster (see section 54 and 55 of the Disaster Management Act 57 of 2002)



With respect to the implementation of the Act, a risk assessment must be undertaken when one or more of the vulnerability reduction criteria (reflected in the table below) are considered priorities in any project or programme initiated by RNM.



RNM Disaster in Action



Table 37: Maximising vulnerability reduction

Key Vulnerability Criteria	Examples of where risk assessments must be done
Increased sustainability of a development project or programme to support vulnerable households.	As part of the planning for an infrastructural development, for example, assessing the likelihood of weather, flooding, subsidence and other threats damaging the structure, so that these can be factored into the construction specifications.
Reduction of potential harmful consequences associated with industrial, commercial or other developments	As part of environmental impact assessments for large-scale developments, including industrial, commercial and other enterprises that may increase disaster risk.
Increased understanding of a rapidly changing risk for improved risk management planning	In a flood-prone area that experiences considerable population growth and is facing increased land erosion.
Increased robustness of development initiatives in poor communities and areas	In an informal settlement characterised by recurrent 'small 'and 'medium-size' disaster losses that undermine assets and livelihoods.
Management of high-risk periods and conditions to ensure service and/or business continuity	Electricity transmission lines and rail infrastructure, as well as health and emergency services, to ensure these essential services do not 'fail 'under expected high-risk conditions.
Provision of appropriate support for at-risk activities, services, areas, communities and households following an 'alert '.	Following a drought warning or cholera alert in rural areas, to identify communities and households most at risk and to focus or target preparedness and response actions.

42.22.4 Disaster risk reduction planning

On the left-hand side of the framework, 'Disaster Risk Reduction Planning', consist of Vulnerability Reduction that are present in the municipality as a whole. The Specific Risk Reduction Projects include on one hand future developments (planned for though the IDP) that should be assessed and on the other hand any area where a combination of vulnerabilities, hazards and/or a lack of capacities pose a specific (or combination of) high risk(s) to the population, infrastructure and environment. Fire and Rescue does have a budget of R23m.

4.2.22.5 Contingency planning

The right-hand side of the framework focuses on contingency planning. This type of planning has two components: for the most prevalent hazards, the municipality should have a contingency plans in place that can be activated before or during the impact of a specific hazard ('Hazard Specific Contingency Plans').



As it is impossible to plan for every hazard, the contingency planning should also include generic plans. For the purpose of drawing up such plans, the most important issues have been listed in the framework (public health, command and control, shelter etc.)

Risk of a certain hazard can change over time. It is therefore necessary that all aspects of the framework are adapted accordingly. Continuous assessment is necessary for sound disaster risk management planning which will therefore assist in the prevention and reduction of disaster incidents.

4.2.23 Response and Recovery

i. Disaster Response, Recovery, Rehabilitation and Reconstruction

In order to achieve the requirements of the Act calling for an integrated and co-ordinated policy that will provide for rapid and effective response to disasters and to post disaster recovery, it is imperative that mechanisms are put in place which leaves no room for confusion when a significant event or disaster occurs or is threatening to occur in council's area. This requires clear allocation of roles and responsibilities and concisely defined procedures and protocols for all operational personnel, other relevant role players, communities at risk, and the public in general. This key performance area seeks to ensure that disaster response and recovery planning for the municipality achieves these objectives.

ii. Preparedness and early warning

Objectives

- To establish effective early warning systems in the RNM that will ensure rapid and effective actions by essential and emergency services;
- that households, communities and areas at risk are able to respond timeously and appropriately; and
- in order to avert or reduce the potential impacts on people in terms of health, personal injury, loss of life, damage to property, infrastructure or environments

The RNM DMO is primarily responsible to ensure that it has the technical capacity to identify and monitor hazards and must ensure that mechanisms are in place for the receipt, dissemination and appropriate responses to standard early warnings issued by organs of state tasked with primary responsibility for a specific hazard.

DMO is responsible to prepare and issue hazard warnings of significance for the municipal area in a timely and effective manner and to ensure that the warnings are disseminated to those communities known to be most at risk to the hazard including those in isolated and/or remote areas. Warnings must include information and guidance that will enable those at risk to increase their safety and take risk avoidance measures to reduce losses.

iii. Operational plans for disaster response and recovery

DMO is responsible to ensure the development of operational plans for disaster response and recovery when a disaster occurs or threatens to occur in the RNM area of jurisdiction and the facilitation of rehabilitation and reconstruction programmes and projects.



Such plans must be prepared consistent with the national guidelines. The RNM DMO must ensure effective *strategic* co-ordination and management of response and recovery operations for its area.

iv. The RNM DMO has primary responsibility to facilitate:

The development of a standard operational guide for the establishment of Joint Operations Centres (JOCs) to:

- Ensure the effective tactical co-ordination and management of response and recovery operations for major incidents and significant events which occur or threaten to occur in the area and
- Ensure that each response agency identified which can contribute to the response and recovery efforts – whether it be an essential service; an emergency service; community volunteer; a non-governmental organisation;
- a community based organisation; or a private sector agent – prepares and submits an operational plan applicable to their particular functional area which is in accordance with the national field operation guidelines (FOGs).

v. Training and Awareness objectives

- To promote and facilitate non-accredited and accredited education and training opportunities for all disaster risk management stakeholders:
- To identify and implement appropriate disaster risk management training programs for schools in the area to increase knowledge and capacity.
- To identify and implement appropriate disaster risk management training programs for the communities to increase knowledge and capacity.
- To ensure that traditional knowledge and coping strategies are included in the training programs where appropriate.

vi. Schools Programs

Disaster risk management training programs for the purposes of disseminating information on disaster risk management are in place in most schools. The creation of programs relating to disaster management in schools, focus on relevant and appropriate aspects of disaster risk management, have also been encouraged.

vii. Dissemination and use of traditional knowledge

All training and awareness programmes undertaken within the municipality must take into account indigenous knowledge relating to disaster risk management, as per section 7(2).

viii. Community training programmes

Education and training programmes for communities must focus on risk awareness, risk reduction and preparedness. Where appropriate, communities must be given the opportunity to modify and enhance training programmes through the inclusion of indigenous knowledge, practices and values, and the incorporation of local experience of disaster and disaster risk management. Cognisance of the risk assessment for the area must be taken when such programmes are developed.



ix. Government Officials and relevant role players

Training programmes for government officials and policy makers must include modules on planning, hazards, prevention, risk reduction and preparedness.

x. Public Awareness Policy

An integrated public awareness strategy to promote a culture of risk avoidance among all role players and across all departments must be developed and implemented. Such a strategy is necessary for the promotion of an informed, alert and self-reliant society capable of playing its part in supporting and co-operating with the municipality in all aspects of risk and vulnerability reduction.

The ability of the public to understand the nature of commonly encountered hazards in their communities to manage and reduce risks; to develop risk avoidance behaviour patterns; and to respond appropriately and timeously when disasters occur or are threatening to occur, is dependent on knowledge and access to reliable information. In order to inculcate

Risk-avoidance behaviour by all stakeholders, public awareness campaigns aimed at raising consciousness about disaster risks must provide information on how to reduce vulnerability and exposure to hazards. Public information should be disseminated through the media, schools, public gatherings and through any other suitable network.

xi. Media involvement

The local print and radio media are involved in community awareness programmes.

xii. Policy Directives and Legislative Mandates

The IDP review is guided by binding and nonbinding national and provincial legislations including policies, programmes and strategies that need to be considered in the municipal planning and development processes.

The Non-attendance of provincial department poses the following challenges and limitations for the municipality:

- Limited level of engagement and knowledge sharing
- Department budget for projects that are not urgent to communities
- Departments' projects do not have impact
- Some sectors are neglected and some remain unfunded
- No proper alignment, Duplication of funding and Fiscal Dumping

4.2.24 How the municipality has responded to Goal 7 of the PGDP 2035: Spatial Equity

The PGDP 2035 states that the Integrated Spatial Planning is subsequently the single most important tool utilised to co-ordinate the distribution of population, land uses, existing resources, and proposed initiatives in relation to each other in order to create an improved sustainability to such uses of scarce land resources. Ray Nkonyeni fully aligns to this goal. The various spatial interventions of the municipality has an opportunity to utilise the land while having equitable access to social service standards and development opportunities, see SDF attachment.



The municipality has developed a robust and representative methodology which will be reviewed on annual basis to assess progress in achieving its spatial equity. As mentioned in the strategy that the spatial equity should enhance the resilience of new and existing cities, the municipality is in line with it. It has not only concentrated on public investments, but also private investments on the basis of their development potential. The LUMS cuts across the municipality. The municipality has further responded by establishing nodes, formalise strategic rural nodes, in this case, it is Ezingoleni town.

The promotion and development of Ward Based Plans, LUMS, Spatial Planning Systems is another response by Ray Nkonyeni to the objective. Furthermore, the municipality has developed specific corridor plans to coordinate interventions around provincial corridors. There has been a response also to the densification strategy. Gamalakhe densification is one example. It shows future projections of then town ship. The municipality's SDF is aligned to the provincial development framework as expected.

The municipality has a fully functional GIS unit, which too is a response to the objective of the strategy. Catalytic projects also form a large integral in the municipality. Ray Nkonyeni has identified these and fully adheres to the PGDP in this regard.



4.2.25 Key Findings

Table 38: Key Findings

KEY CHALLENGES	DESCRIPTION
1.Urbanised Coastal Zone	The coastal strip is very urbanized and developed.
2. Manufacturing Sector is limited to the coastal strip	All the economic development is centralized along the urban areas.
3.Climate change	Due to climate change that the municipality occasionally experiences, floods occur leaving behind distraction.
4.Impoverished rural interior	There is no development in the hinterland

Table 39: Disaster SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • The unit is reasonably capacitated • Disaster Management Plan is in place • Public awareness disaster programmes are in place • Schools programmes are also in place • Ward profiles are in place • The risk reduction plan is in place 	<ul style="list-style-type: none"> • Shortage of manpower • Poor vehicle maintenance • Poor communications • Limited tools e.g. fire engines
Opportunities	Threats
<ul style="list-style-type: none"> • Expertise • Programmes are in place for safety issues 	<ul style="list-style-type: none"> • Shortage of staff • Time delays to call outs



Table 40: Cross Cutting SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Being able to develop a sound vision statement that talks to both urban and rural developments • SDF is aligned to all the planning principles • Corridors with vibrant economic activities have been identified • Being able to plan with communities at large • HCM makes provision for the development of community centres within a cluster of settlements □ Cross Boundary Potentials 	<ul style="list-style-type: none"> • The need to develop the full suite of plans for the municipality □ Key spatial plans have not been fully developed
Opportunities	Threats
<ul style="list-style-type: none"> • Meeting land use needs and identification of economic development potentials through • Job opportunities in the newly developed nodes and economic corridors • An extensive range of natural assets for preserving the biodiversity for future generations 	<ul style="list-style-type: none"> • Slow development in the hinterland Organic and illegal thus a great need for the implementation of the SDF • Slow development of a wall to wall scheme as per the PDA regulations



4.3 MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

4.3.1 Organizational Development

The Back to Basics Policy emphasizes that there has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. It further details the basic requirements that need to be monitored and these include the top positions that they must be filled with competent and qualified persons, municipal organograms be realistic etc. Also, one of the five pillars of the Back to Basics approach is to build institutional and administrative capabilities. It is with pride to state that the municipality has fully adhered to the Back to Basics principles in terms of this pillar.

4.3.1.1 Municipal Transformation and Organisational Development Strategies

Ray Nkonyeni Municipality developed and adopted goals and objectives that are aligned to strategies to enhance service delivery. Goals designed are meant to address key challenges and it must be noted that these goals are fully aligned to the KZN PGDS. Each KPA has strategies that talk to it, and below are the strategies developed for this KPA in particular:

- i. To foster effective and efficient Inter-Governmental Relations (IGR)
- ii. To ensure on-going human resource development
- iii. To attract and retain skilled employees
- iv. To be an innovative organisation with improved performance

4.3.2 Institutional Arrangements

Ray Nkonyeni Municipality is headed by her Worship Madam Mayor, Councillor N.C.P. Mqwebu. The municipality is run in a democratic, transparent manner and 6 political parties are represented and fully participate in the running of the municipality. The total number of Councillors serving within the municipality is seventy one (71). They consist of thirty six (36) ward councillors and the rest are party representatives (PR). Out of the 71 councillors are 12 councillors who serve in the Executive Committee (EXCO). This is a day-to-day committee of Council. Its meetings are chaired by the Mayor and held twice a month.

There are subject specialization portfolio committees assisting Council and EXCO in dealing with details. Each portfolio committee chaired by an EXCO member. Council meetings is once a month, chaired by the Speaker of the Municipality.

The administration is headed by the Municipal Manager. The administration is structured into seven operational departments, being:

- Department of Community Services (DCOMMS)
- Department of Corporate Services (DCS)
- Department of Strategic Planning (DSPG)
- Department of Technical Services (DTS)



- Department Development Planning Services (DDPS)
- Department of Public Safety (DPS)

4.3.3 Organogram

The municipality developed a new organogram which was adopted by Council in 2019, (**See attachment No. 27**). The transformation process commenced in 2004 whereby the system of Section 57 Managers was adopted. Due to municipal grading as regulated by organized local government structures, the municipality over the years has faced challenges in retaining employees attributed to a number of reasons such as the institutions which often offer more attractive packages. Ray Nkonyeni Municipality has since addressed this by having more attractive packages and other benefits to ensure its employees are retained.

As per the Back to Basics pillar which states that local government should ensure that the top six posts (Municipal Manager, Finance, Infrastructure Corporate Services, Community development and Development Planning) are filled by competent and qualified persons, Ray Nkonyeni Municipality the municipality has managed to fill all seven Section 57 managerial positions, which 1 of these is a female and 5 are males, respectively. In terms of women empowerment, the municipality has since started prioritizing more deserving females to management positions.

The following table shows the total staff complement categorized according to Departments within Ray Nkonyeni Municipality. It must be noted that the vacancy rate has decreased from 26% to 21%.



Table 41: Vacancy rate

VACANCY RATE				
DEPARTMENT	TOTAL POSTS	VACANCIES	VACANCY RATE	FUNDED V
OFFICE OF THE MM	17	2	12	2
CORPORATE SERVICES	62	6	10	2
DEVELOPMENT PLANNING SERVICES	80	30	38	2
PUBLIC SAFETY	277	59	21	15
COMMUNITY SERVICES	626	127	20	22
STRATEGIC PLANNING AND GOVERNANCE	42	9	21	7
TREASURY	84	14	17	8
TECHNICAL SERVICES	263	86	33	15
TOTAL POSTS	1451	333	21,5	73
VACANCIES			21%	

4.3.4 Municipal Powers and Functions

The significance of integrating sector plans into the IDP is to provide a demonstration of how they relate to one another. It also outlines a sector plan integration process which will guide our municipality as we integrate various sector plans in our IDP to ensure the realization of integrated development and alignment. The following table illustrates the functions that are undertaken by Ray Nkonyeni Municipality, Ugu as a District as well as by other Sectors within the District as priority function per COGTA.



Port Shepstone Lighthouse

On the following page is Table 42: Municipal Powers and Function



	Powers and Functions of the Municipality	Ugu DM	Shared with other services	Ray Nkonyeni LM	Relation to KPA
1	Air pollution	X			Cross-Cutting
2	Building regulations			x	Basic Service Delivery; Cross
3	Electricity and gas		X		Basic Service
4	Firefighting services			x	Basic Service
5	Local tourism		X		Local Economic
6	Municipal airports			x	Basic Service
7	Municipal planning			x	Basic Service
8	Municipal health services	X			Basic Service
9	Municipal public transport			x	Basic Service
10	Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to the m under this Constitution or any other law			x	Basic Service Delivery
11	Control of undertakings that sell liquor			x	Basic Service Delivery
12	Facilities for the accommodation-area			x	Basic Service Delivery
13	Fencing and fences			x	Basic Service
14	Licensing of dogs			x	Basic Service
15	Licensing and control of undertakings that sell food to the public			x	Basic Service Delivery
16	Local amenities			x	Basic Service
17	Local sport facilities			x	Basic Service
18	Markets			x	Basic Service
19	Municipal abattoirs			x	Basic Service



20	Municipal parks and			x	Basic Service
21	Municipal roads			x	Basic Service
22	Noise pollution			x	Basic Service
23	Pounds			x	Basic Service
24	Public places			x	Basic Service
25	Refuse removal, refuse dumps & solid waste disposal			x	Basic Service Delivery
26	Street trading			x	Basic Service
27	Street lighting			x	Basic Service
28	Traffic and parking			x	Basic Service

4.3.5 Institutional Capacity and Human Resource Development

In response to the need to build a capable organization, the following narrative outlines how the municipality is responding to this pillar of the Back to Basics programme. This in the main cover skills development, meeting equity targets and ensuring that the institution responds to its constitutional mandate through a responsive Human Resource Strategy.

4.3.5.1 Human Resource and Management Strategy

The Human Resource Strategy is in place reviewed and adopted in 2017, **(See attachment No. 12)** It must be noted that this strategy is a five year term strategy which is reviewed if and when it is necessary, such as when there are major changes that need to be made, if such does not happen, it gets reviewed after 5 years. With the current adopted strategy, there has been no reviews made over the years as there was no changes identified to be made. The Strategy's aim is to assist the municipality in the career development of its existing staff, maximise productivity by the optimum implementation of relevant legislations, collective agreements with special emphasis of the Employment Equity Policy. It is made up of nine (9) strategies whose objectives are to:

- Attract and retain competent staff
- Retain key staff members whose services are regarded as critical
- Identify individuals' potential for assuming a higher degree of responsibility
- Help develop a skills base for succession planning
- Ensure career development for staff

4.3.5.1 Human Resource Plan

The municipality has not developed a Human Resource Plan and has since requested the intervention of Cogta to give full clarity on what this plan is all about since there is a Human Resource Strategy in place.

4.3.5.2 Employment Equity Plan

The Employment Equity Plan is in place, adopted by Council in 2017 and will be reviewed if and when a need arises. The plan redresses the imbalances of the past in terms of the designated groups (black female, Coloured women and Indian Women). RNM can proudly pronounce that it has adhered to the SONA whereby the President mentioned that SA must build a society where



the injustices of the past no longer define the lives of the present. The plan fully outlines how the municipality intends to undertake the processes of employment. In terms of shortlisting and employment, high score is awarded to females.

The plan further details how the disabled are given preferential attention in terms of employment.

i. Work place Skills Plan

The Work place Skills Plan (WSP) which is a five year plan, is in place, **adopted** in 2017 (**See attachment No. 10**) and submitted to the LGSETA, and is **reviewed** annually. This plan is informed by the Employment Equity. The employment equity guidelines form an integral part of planning for training as prescribed in the Skills Development Act. The Plan is aligned to the WSP. It must be noted however, that in as much as the Plan is effective, there are constraints that come with budget. Projects not budgeted for get recommended for implementation during a financial year thus compromising the programme on the WSP.

The employment equity profile illustrates progress made towards achieving the transformation targets. The Plan reflects the progress the municipality has achieved thus far and actions to address challenges relating to enhanced demographic spread, skills development, fast-tracking, diversity management and organizational culture assessment. This plan is being implemented effectively by amongst other things, putting emphasis on job adverts as well as scoring criteria for short listing and interviews. In this regard, there are special points allocated based on race and gender. The plan amongst other things has ensured that the municipality's employees are capacitated in terms of skills training. New recruits in terms of interns are also capacitated through this plan.

Each financial year a budget is allocated to ensure a smooth plan for all allocated beneficiaries. Trainings are conducted internally and if need be beneficiaries are allocated funding to train or be skilled in their field of choice in any institution. Following is a table summarizing the number of beneficiaries in the plan for the current financial year.

ii. Recruitment and Selection Policy

The Recruitment and Selection Policy is in place, adopted in 2017, (**See attachment No. 11**) and is reviewed annually. Its main aim is to set out the policy guidelines and principles regarding the staffing policy, more especially in terms of recruitment and selection of permanent/ no-permanent employees and Senior Management of the municipality.

iii. Retention Policy

The municipality does not have a retention policy, which would stipulate how it would best equip its employees in terms of capacitating them to avoid an exodus for greener pastures, however, **targets showing that it capacitates its employees are clearly stipulated in the Human Resource Development Strategy**. To measure this, the SDBIP show these targets which are measured quarterly. Beneficiaries are located for different trainings and below is a table indicating the occupational category.



Table 43 : Occupation category

Occupation category	No of beneficiaries
Councillors	
Management	4
Professionals	9
Technicians & Associate professionals	2
Clerical support workers	15
Plant & machine operators & assembles	23
Elementary occupations	10
SERVICE AND SALES WORKERS	57

4.3.6. IT Strategy

The IT Strategy(**See attachment No. 13**) was adopted in March 2017 and is a 5 year Strategy which is reviewed annually. The implementation of the strategy reports are submitted to Corporate Management on quarterly basis as indicated in the municipality's Service and Delivery Budget Implementation Plan. The purpose of the strategy is to give a focus and framework for future IT Investments and projects linking these into the priorities of the IDP. It is also aimed at raising the profile and awareness of the importance of IT investments and the governance which surrounds these and associated benefits realization. It also provides an effective technology architecture which not only provides robust and reliable underpinning to municipal services but is an architecture which acts as an enabler and catalyst for service delivery both within the municipality and across our strategic partners. Basically, the strategy addresses the long term vision of the municipality.

Due to lack of funds, the municipality has made no progress thus far to implement its ICT Policy Framework in the hinterlands, however, it must be noted that funds are still being outsourced.

ii. Draft – ICT hardware and software policy & strategy

The municipality has a draft ICT Draft hardware and software policy and strategy. It has recently been presented to Corp Manco and await further inputs before being sent to Council for adoption.

The rationale behind the strategy is to manage the overall cost of ICT equipment purchases by maximizing the return on initial investment in ICT hardware to the Municipality as a whole.



4.3.7 Inter-Governmental Relations Structures

The municipality actively participates in a number of IGR structures. The municipality has a dedicated IGR Officer, The Stake holder Relations and Customer Care Manager and falls under the Strategic Planning and Governance Department. However, the official is not specifically labelled as IGR Officer but is within the organogram and has the specific responsibility of IGR within their job description.

Below is a summary of these structures:

i. The Premier's Coordination Forum (PCF)

In accordance with the Inter-Governmental Relations (IGR) Act (2005), RNM's Mayor participates in the PCF coordinated by the Office of the Premier. The forum discusses mainly issues that affect local Government.

It sits four times a year. The Premier chairs the forum. MEC Cogta is the co-host. Other than Municipal Mayors, the Province invites Municipal Managers, CFOs and Deputy Mayors to sit in this Forum.

ii. Mayor's Forum

In accordance with the IGR Act (2005), a Mayor's Forum was established in 2006 for the District. Ugu District's Mayor's Forum is fully functional and all its local mayors fully participate:

- meets on a regular basis.
- The District Mayor chairs this forum.
- It discusses issues around service delivery and challenges affecting Locals as well as resolutions taken at Provincial level.

iii Speaker's Forum

The Ugu District has an established Speakers Forum and RNM participates in this Forum. The purpose of the establishment of the Speakers forum is therefore to ensure that:

There is uniformity and consistency in the management and operation of the Offices of the Speakers of the Ugu District Municipality,

- To facilitate and oversee that the programmes and initiatives of Speakers at local municipalities are implemented,
- To identify and implement programmes aimed at realizing one of the key objectives of local government ,i.e. deepen democracy,
- To coordinate and ensure active participation of communities in matters of local governance,
- To ensure coordination and streamlining at all the member municipalities,
- To initiate and implement training and capacity building programs for councilors.

The Speakers forum has one ordinary meeting per quarter, provided that the other members may request a special meeting by making a written submission to the chairperson. The Chairperson



of the Forum is the Speaker of the District Municipality. Meetings of the Speakers Forum rotate among member municipalities.

iv. The Municipal Manager's Forum

The Municipal Manager's Forum was also established in 2005 by Ugu District and meets on regular basis. RNM is a member of this Forum. Issues raised at this forum are discussed at Corporate Management meetings by management. This Forum sees to it that resolutions taken at Mayors forum are being implemented. It also discusses challenges experienced at each local municipality. Munimec, which is a technical support for PCF discusses issues affecting at both local and District level and so these issues are further discussed at the Managers' Forum and seek way forward.



v. Chief Financial Officer's Forum

Within the Ugu District, there is a functionality of CFO Forums and are held on a quarterly basis to discuss financial management issues. All locals including RNM are full members of this Forum. The Chairperson for this Forum is the CFO of the District. This Forum also deliberates on Audit opinions.

vi. Planners Forum

The planners' forum meetings are held on a monthly basis. Meetings are chaired by the district IDP Manager. The Planning Development Unit renders secretarial services; The Forum consists of the four local municipalities. IDP Managers and town Planners coordinate technical submissions and the compilation of the respective IDP documents to:

- Ensure horizontal alignment between the district and local municipalities IDP's,
- Ensure vertical alignment between the district and local municipalities, National and Provincial spheres.

4.3.8 Institutional Structures

For any institution to be fully functional, it needs to have its structures in place. This is no exception with Ray Nkonyeni Municipality. It has its institutional structures in place and fully functional. They comprise of:

i. IDP Steering Committee:

- Develops terms of reference for various planning activities
- Provides guidance on planning matters
- Monitors IDP and review progress on a quarterly basis
- Make recommendations to the IDP Forum
- Takes decisions on administrative matters in line with legislations, policies and COGTA guidelines
- Give strategic support and give guidance to the ID unit
- Ensures that information is provided to the IDP unit in time and communicates IDP issues with staff members and ensures that Strategic Planning manager does not end up thumb sucking information
- Overall Management including appointments of consultants
- Refers matters to relevant committees for further investigations, research and alignment
- Closely monitors and evaluates consultants' progress and performance
- Considers inputs from all stakeholders and make amendments accordingly.

ii. IDP Cluster meetings

- Provide technical assistance on Planning matters
- Make recommendations to the Steering committee
- Provide departmental issues that have influence on planning
- Consider inputs from sub committees
- Assists in developing terms of reference for consultants



iii. Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the municipal council, appointed in accordance with section 79 of the Structures Act. Members of this committee do not sit in any portfolio within the municipality. The main purpose of the MPAC is to exercise oversight over the executive functionaries of council and to ensure good governance in the municipality. In order for the MPAC to fulfil this oversight role, it needs to be provided with the necessary information and documentation to interrogate the actions of the executive.

The MPAC committee is made up of seven councilors represented by all the political parties represented in Council. It is chaired by the ruling party and makes recommendations to Council on monthly basis. Amongst other duties, the committee oversees the work of Exco, portfolio committee, OPMS, does special investigations and other adhoc assignments.

The MPAC must interrogate the following financial aspects addressed in the Municipal Finance Management Act:

- Unforeseen and unavoidable expenditure (Section 29)
- Unauthorized, irregular or fruitless and wasteful expenditure (Section 32)
- Quarterly report of the mayor on the implementation of the budget and the state of affairs of the municipality / SDBIP (Section 52(d))
- Monthly budget statements (Section 71)
- Mid-year budget and performance assessment (Section 72)
- Mid-year budget and performance assessment of municipal entities (Section 88)

The MPAC committee has successfully carried the above duties and reports to Council as mandated by the Legislation accordingly.

4.3.9 Key Findings

Table 44: Key Findings

Key Challenges	Description
1.Employee retention	The municipality over the years has been faced with challenges in retaining employees more especially those in strategic positions, however, since some strategies have been put in place, there has been less of this in the last two years.
2 . Municipal powers and function	Few powers are not fully functional due to budget constraints.



Table 45: Municipal Transformation and Organizational Development SWOT Analysis

Strengths	Weaknesses
<p>Institutional Structures in place</p> <p>Governmental Structures in place</p> <p>Organogram adopted</p> <p>Portfolio Committees fully functional</p> <ul style="list-style-type: none"> • All posts have been filled • Effective portfolio committees • Diverse representation of political parties in Council (ANC, DA, IFP, COPE and EFF,VV) • All 7 Departments are fully operational • The Labour Forum is well functional <p>Line 1 Managers are fully capacitated</p>	<ul style="list-style-type: none"> • 1 of the 7 Heads of Departments, section 56/57 are females • Gender imbalances in the management positions.18 of the 43 managers are female
Opportunities	Threats
<ul style="list-style-type: none"> • Room for improvement in terms of equity 	<ul style="list-style-type: none"> • Few powers of function that are not being implemented due to budget constraints



4.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

One of the goals of taking Local Government forward is to improve the functions of municipalities to better serve communities by getting the basics right as per the NDP and through the Back to Basics Programme. Good Governance and sound administration is one of the five pillars of Back to Basics which must be at the heart of an effective municipality. To this, our municipality has fully aligned.

It is essential to practice good governance for stability, sustainable development and growth. The Provincial government has ensured that there is good financial management, proper budgeting and investigation of fraud and corruption. Ray Nkonyeni Municipality has good efficiency in terms of good governance and public participation. All systems and structures are in place and fully functional.

The Audit and Risk management for an example, are fully functional and bring assurance and consulting activity designed to add value and improve an organization's operations. These two units also assist the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

4.4.1 Inter-Governmental Relations

The municipality has a dedicated IGR Officer and falls under the Strategic Planning and Governance Department, the official is not specifically labelled as IGR Officer but is within the organogram and has the specific responsibility of IGR within their job description. In 2014 when Back to Basics was introduced at the summit which was termed 'Serving our communities', the President emphasised that out of the Summit must emerge a focused action plan to government by getting the basics right, and local government to strengthen local Government, together with other spheres of government, must provide basic services efficiently and effectively, and in a caring manner." Ray Nkonyeni Municipality has a focused plan of action as indicated below



Port Shepstone Beach Front



Table 46: Intergovernmental Relations

Back to Basics	Milestone	Detailed Activities	Responsible Official/ Department	Blockages/ Challenges	Support Needed In Terms of Unblocking
Roads infrastructure provision and maintenance	Comprehensive infrastructure plan	Development of the infrastructure plan	MR RS Dlamini Technical Services (DTS)		KZN Transport, Housing, Public works, COGTA
Municipal buildings maintenance	Maintenance plan	Develop and communicate the plan with Council and management	MR RS Dlamini Technical Services (DTS)		Liaising with HoDs
Housing provision	Construction of units	Facilitate housing provision and liaise with provincial Housing department	MR RS Dlamini Technical Services (DTS)	Red tape in application approval and delays	Department of Housing to fast track application approval and proper management of consultants
Electrification	Provide infrastructure and cover in-fills	Develop an electrification masterplan Align with Eskom	MR RS Dlamini Technical Services (DTS)	Eskom does not plan with the municipality	Eskom to align with municipal plans and advise planning Processes Technical support
Solid waste Services	Effective collection and extend services to unserved areas	Implementation of the Integrated Waste Management Plan (IWMP)	MR MB Ndwalane		Nil
Effective municipal by-laws	Develop And enforce municipal wide by-laws	Fine and prosecute	MR SA Nzimande (DPS)	Co-operation from other departments	Nil



Debt recovery	Recover outstanding debt	Correct customer billing Review the revenue enhancement strategy	MR N Mavundla (Acting CFO)	Correct billing	Nil
Develop a financial plan	Adoption of the credible financial plan	Development of the financial plan incompliant with the MSA & MFMA	MR N Mavundla (Acting CFO)		Treasury
IT Governance strategy	Development and implementation	Development and implementation	Ms NB Thabatha Corporate Services		
Improve LED	Improve economic growth	Implement LED strategies Contained in the IDP Develop an incentive scheme	Mr.KJ Zulu Development Planning Services (DDPS)		
Effective ward committee	Support ward committees	Provide necessary training, stipend, ensure departments action issues coming from ward committee meetings, etc.	Mr S Zama Strategic Planning and Governance (DSPG)	Political support	COGTA

4.4.2 Municipal Structures

There is a horizontal alignment of IDPs between Ray Nkonyeni Municipality, the District as well as Sector Departments. Roles and responsibilities are clearly stipulated in the table below as well the summary below it.



Table 47: Municipal Structures

No.	Role Players	Roles And Responsibilities
1.	Ugu District Municipality	<ul style="list-style-type: none"> • Horizontal alignment of IDP' s between local and the district; • Vertical alignment between district and local municipalities, National, Provincial as well as other district municipalities • Formulates the district process plan based on the district's framework plan; • Formulates, manage and approve districts IDP; • Monitors and evaluate the district IDP process plan; • Ensures that draft process plans are compiled by the local municipalities with Ugu District; • Ensures that the process plans adhere to the framework as agreed; • Ensures that all local municipalities under the district adhere to the timeframes in the framework plan as agreed; • Coordinates the alignment of the district's budget process with the district IDP Process and local IDP processes; • Facilitates vertical alignment of IDP's with other spheres of government and sector departments and the preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists; • Gives financial support in line with its financial policy; • Gives institutional support to develop expertise.



2.	Ray Nkonyeni Municipality	<ul style="list-style-type: none"> • Guides provincial sector departments participation in their contribution to the municipal planning processes; • Guides departments in assessing draft IDP's and to align their sectoral programmes and budget with the IDP's; • Assists in accessing financial grants for IDP process; • Monitors the progress of the IDP processes through the district and IDP Managers Forum; • Facilitates resolution of disputes related to the IDP; • Organizes IDP-related training when required; and • Co-ordinates and manage the MEC's assessments and comments with regards to IDP's. • Orientation of councilors on IDP.
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3.	Ugu District Planners Forum	<p>Meetings to be chaired by the district IDP Manager;</p> <ul style="list-style-type: none"> • Planning Development Unit render secretarial services; • Consists of the four local municipalities IDP Managers; • IDP Forums to be held quarterly to: <p>Coordinates technical submissions and the compilation of the respective IDP documents</p> <p>Ensures horizontal alignment between the district and local municipalities IDP's, and</p> <p>Ensures vertical alignment between the district and local municipalities, National and Provincial spheres</p>
4.	Co-operative Governance and Traditional Affairs	<ul style="list-style-type: none"> • Coordinates participation and cooperation of all other key sector departments. • Monitors and advice the municipalities on the drafting, review and implementation of the IDP. • Ensures that sector department's planning is informed by Ray Nkonyeni plans and IDP • Closely monitor sector departments performance in terms of fulfilling their core functions and support Ray Nkonyeni
5.	Sector Departments	<p>Identify an IDP Coordinator in the sector departments</p> <ul style="list-style-type: none"> • Contribute knowledge and ideas about planning issues in the province and sectors; • Contribute relevant information on the provincial sector departments plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner; • Ensure that their objectives and strategies and projects take various IDP's into consideration and adjust their budgets as informed by the various IDP's into consideration and adjust their budget as inform by the various IDP's; <p>Engage in a process of alignment with district municipalities, and participate in the provincial management system and co-ordination;</p> <ul style="list-style-type: none"> • Ensure active participation in IDP Representative Forum and Task Teams.



6.	Ugu District Development Planning Unit	<p>Development Planning Unit provided the following function:</p> <ul style="list-style-type: none"> • Provide methodological guidance and support to local municipality during the IDP implementation and review and well other planning processes; • Support the planning and implementation management process of local municipalities and district municipality • Establish and maintain close links with public and private service providers for proper programme alignment in municipal; • Provide information to municipalities relevant national and provincial policy and legislation frameworks; • Organize/conduct relevant training events for municipalities to build their planning and implementation management capacity; and • Liaise with Donors and other state agencies for municipalities to build their planning and implementation management capacity; • Liaise with Donors and other state agencies for funding to the municipalities; and • Render secretarial services to all district communication and sub-committee.
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The Ugu District Municipality's IDP forum meetings are held on a monthly basis. There is also a Planners forum committee which was established to assist with capacitation and empowerment of the local municipalities that fall within the District. The committee comprises of Ugu District Municipality IDP unit, IDP managers and town planners from the four local municipalities and COGTA. The committee also ensures that the Integrated Development Plans of municipalities are aligned. The committee also ensures local municipalities align with the district municipality, provincial departments and get advice and assistance required prior to the IDP assessments. Meetings rotate amongst all the municipalities. The Provincial department fully participates in the IDP Forum meetings and provided technical support in the IDP development process. The municipality also attends all the IDP Indabas organized by the Provincial department. The department also provides financial and technical support to municipal development and planning initiatives.

The municipality uses a task team approach for management to the development agenda in an integrated manner and ensuring ownership at corporate management level. The rationale behind this approach is to ensure management take full control of the IDP given their cognition of the IDP as the master strategic plan of the municipality.

The task teams are led by the Heads of Departments looking at strategic position of each department, cross cutting matters, how departments can support and assist each other to fast track and ensure implementation plans. IDP task team focuses on the following IDP Review key focus areas:



- Infrastructure provision and maintenance
- Budget aligned to the IDP priorities
- Development and implementation of Strategic Sector plans
- Good Governance and accountability
- Financial viability and value for money
- Spatial planning and rural planning development
- Youth development and skills development
- Job creation, economic growth and transformation
- Safe and healthy environment
- Effective supervision of service providers
- Knowledgeable communities
- Tourism industry support
- Promoting sports and recreation and cultural diversity

There are internal and external forums that contribute and inform the IDP Review and these are detailed in the table below.

Table 48: Process Plan and Internal Structures

Role Player	Purpose	Date
Council	<ul style="list-style-type: none"> • Adopt IDP Process Plan • Consider draft IDP • Consider public comments • Adopt final IDP 	August 2020 March 2020 April –May 2020 May 2020
EXCO	<ul style="list-style-type: none"> • Consideration of process plan • Confirmation of key issues and consideration of IDP Cluster Meetings recommendations • Confirmation of resources allocation per key issue • Consider vision statement • Consider IDP prior Council approval 	August 2020 February 2020 March 2020 May 2020 May 2020
IDP Representative Forum	Input on vision, objectives and strategies Input on priorities and projects Consider and recommend IDP document for council approval	February 2020 March 2020



IDP Cluster Meetings	Provide strategic direction Advise Provide departmental support	March 2020 May 2020
Steering Committee	<ul style="list-style-type: none"> • Consider process plan • Revision of strategic framework • Compilation of preliminary project list • • Planning of project planning phase, setting up of project teams and determining terms of reference for project teams • Review progress made with project plans • Screening of all project plans • Consider comments and objections received to the revised IDP 	August 2020 March 2020 March 2020 April 2020 May 2020 May 2020 May 2020
COGTA	Alignment of projects and programmes by Sector Departments and Municipalities	November 2020
Public Participation	<ul style="list-style-type: none"> • Community needs • Budget • Community consultations and participation 	March 2020 April 2020 April 2020

4.4.3 Audit and Risk Management

Both the Internal Audit unit as well as Risk Management unit operates under the Office of the Municipal Manager with the latter regarded as an independent unit. The objective of both units with different roles and responsibilities or areas of focus is to bring assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization to accomplish its objectives by bringing systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Both units report to the municipal Manager and but for operational reasons day-to-day, these are administered by HoD: Strategic Planning and Governance. The Internal Audit unit further reports it's functionally directly to an Audit Committee which consists only of external members and sits on onthly basis.

4.4.3.1 (i) Internal Audit Functions on Governance

Ray Nkonyeni Municipal has established an Internal Audit Unit within the Office of the Municipal Manager in terms of Section 165 (1) of the Municipal Finance Management Act, Act 56 of 2003,



and (MFMA), and responsible to the Chairperson of the Audit Committee and for administrative purposes, reports to the Accounting Officer via the Manager:

The Unit has a fully fledged staff which comprises of a manager, Senior Auditor and three (3) officers. The purpose of the Internal Audit Activity is to assist the Accounting Officer and Senior Management in achieving their objectives and to discharge their responsibilities by providing an independent, objective assurance and consulting services designed to add value and improve the municipality's operations.

Internal Audit helps the municipality to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal audit is an appraisal function established within the Municipality to independently examine and evaluate the activities of the Municipality as a service to the Council in particular and to Management in general. It is a control function which functions by examining and evaluating the adequacy and effectiveness of internal controls and furnish Management with analyses, appraisals and recommendations concerning the activities reviewed.

Internal audit has an independent status within the municipality and is not involved in the day-to-day internal checking of systems within the municipality nor involved in the implementation of internal control systems. In discharging its responsibilities, internal audit:

- review systems and operations to assess the extent to which Municipal objectives are achieved, and the adequacy of controls over activities leading to such achievement;
- evaluate the relevance, reliability and integrity of management and financial information;
- appraise utilisation of resources with regard to economy, efficiency and effectiveness;
- assess the means of safeguarding assets and verify their existence;
- ascertain the extent of compliance with established policies, procedures and instructions;
- recommend improvements in procedures and systems to prevent waste, extravagance and fraud;
- advise on appropriate systems of controls and other accounting and operational matters in a consulting capacity;
- draw attention to any failure to take remedial action;
- carry out any ad hoc appraisals, inspections, investigations, examinations or reviews requested by the Audit Committee or by the Accounting Officer; and

To maintain a professional internal audit staff with sufficient skills, knowledge, experience and qualifications.

4.4.3.1 (ii) External Audit Committee

The External Audit Committee is responsible for monitoring and advising in respect of the effective functioning of the Internal Audit activity. Internal Audit reports functionally to the Audit Committee and administratively to the Accounting Officer. In terms of section 62(1) (c) of the Municipal Finance Management Act (MFMA), No.56 of 2003, the Municipal Manager is the Accounting Officer and is responsible for managing the financial administration of the municipality. The Audit Committee is appointed in terms of Municipal Legislation, to assist and to advise the Mayor, Speaker and Municipal Manager of the Municipality. This committee reports to Council and does presentations to Council once a month. It is afforded wide powers and statutory



obligations in terms of Section 166 of the Municipal Finance Management Act. Audit Committee meetings and Performance Audit Committee meetings take place at least four times a year.

4.4.3.1 (iii)Municipal Public Accounts Committee (MPAC)

The municipality has an established MPAC Committee that sits once a quarter. It consists of seven(7) members representing almost all the political parties within the municipality. The Committee reports to EXCO then Council. Its main function is to look at financial reports, suspicion of fraud and then investigate.

4.4.4 Risk Management

RNM has a risk unit, with a designated manager. The need for risk management is to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the municipality's service delivery capacity. It is an appropriate proactive way of managing risks and to successfully achieve the municipality's goals and strategic objectives. The risk committee of the municipality meets quarterly. The Risk and Fraud Management Manager constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.

The committee comprises of five member with their designation listed below.

MEMBER	POSITION
Chief Financial Officer	CHAIR PERSON
HOD Strategic Planning and Governance	MEMBER
HOD Corporate Services	MEMBER
Risk and Fraud Manager	STANDING INVITEE
Internal Audit	STANDING INVITEE

For an effective free risk organization, there need to be sound strategies in place to enhance a smooth running on daily basis. It is in this regard therefore the municipality has strategies to manage risks. The process starts with the risk assessment session where management identify the currently existing risks and as well as possible risks. Once these risks have been identified management comes up with future action plans to mitigate the identified risks and the target dates for implementation of the future action. Once the risk assessment has been finalized, the Risk and Fraud Management Manager develops a risk register. The risk register is submitted to the Risk Management Committee, Corporate Management Committee and to the Audit Committee. The rationale behind the submission amongst others is to monitor risks facing the municipality and how best to mitigate those identified. There are certain aspects that any risk register should monitor and ensure that they are addressed properly. Ray Nkonyeni Municipality's risk register look at a number of risks and some are listed below:

- Payment to incorrect Service Provider
- Duplication of invoices
- Fraudulent payments



- Suppliers claiming for Vat yet they are not vetted
- Ghost suppliers created in the system

The Risk and Fraud Management Manager constantly monitors the implementation of future action plans and reports the progress of implementation quarterly to the Risk Management Committee, Corporate Management Committee and to the Audit Committee.

4.4.4.1 Anti-Fraud and Anti- Corruption Strategy

The municipality has an anti-fraud and anti- corruption strategy in place. It was reviewed and adopted in November 2018. Anti-Corruption has been a priority in the programme of government for many years and the municipality took a stance to stamp it out. RNM's main objective of formulating the strategy is to detect and prevent fraud.

4.4.5 Public Participation Analysis

The purpose of this section is to discuss public participation as an integral part of the IDP development and implementation process. The section also outlines principles, processes and structures to ensure effective public participation in the development and implementation of an IDP.

This function falls under the Office of the Speaker and the Manager reports direct to the HoD Strategic Planning and Governance. Public participation is encouraged through the Mayoral Izimbizo and Budget Road shows. Ray Nkonyeni has a Community Participation Strategy that is reviewed when a need arises. The strategy commits itself to use community bning to ensure communities even the marginalized are involved in the development from the initial phases of development projects. A public participation forum has been established to effectively deal with public participation structures and issues thereof.

As per the Back to Basics approach, municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information. The basic measures to be monitored include:

- The existence of the required number of functional Ward Committees;
- The number of effective public participation programmes conducted by Councils
- The regularity of community satisfaction surveys carried out.
- To the above mentioned, Ray Nkonyeni Municipality takes pride in announcing that it fully adheres to the Back to Basics approach, all is in place and fully functional.

Ray Nkonyeni encourages public participation of local communities through various mechanisms including but not limited to ward committees. Ward committees have been established in all 36 wards and are fully functional with a 100% rating. A number of community report back meetings are held every month.

4.4.5.1 Public Participation Cluster Meetings

The municipality introduced cluster meetings that sit quarterly to ensure that all issues received from communities are responded to timeously. These cluster meetings are chaired by Portfolio Committee Chairs (Political Champions). HoDs are Administrative Champions. All Stakeholders participate in these meetings. Amongst other responsibilities these committees undertake, they



deliberate on SDBIP progress, responses on service delivery issues raised during the previous quarter, deliberate on new issues if any and report on Ward Committee functionality.

Public participation by various stakeholders e.g. Traditional Authorities have also been involved. It must be further noted that public participation reports are submitted to Council on regular basis. The Mayor ensures that she meets at least once quarterly with Amakhosi and Council resolved that Amakhosi should sit on all council meetings as per Section 81.

4.4.5.2 Participation Analysis

The mechanisms that the municipality uses for its public participation are as follows:

- IDP Representative Forum (IDP Rep Forum)
- This forum represents all stakeholders and is as inclusive as possible. Efforts have been made to bring additional organisations into the Representative Forum and ensure their continued participation throughout the process.

i. Media

Local newspapers are used to inform the community of the progress of the IDP Review.

Information Sheets

This will be prepared in English and IsiZulu and be distributed via the Representative Forum; Council and Ward Committees.

ii. Road Shows / Izimbizo

Road shows are held in all the wards within the municipality.

iii. Radio Slots

These are mainly used by the political leadership. These are recommended where possible if they suit the municipality's programme financially and otherwise.

During November 2016, the municipality conducted Mayoral Izimbizo in preparation for the development of the IDP 5 year Plan. The aim was to solicit community inputs and establish the community's needs.

4.4.5.3 Ward committee functionality

Participation takes place in different forums, meetings and gatherings. The IDP Representative Forum is the main forum where external stakeholders including provincial departments, Traditional Leaders/Amakhosi, Ugu district municipality, business, entities and parastatals are invited to discuss developmental challenges facing the municipality and means of overcoming developmental challenges.

This review process also had an advantage of a ward planning process that happened parallel and meant to inform this IDP Five year plan. Also the fully functional ward committee strengthens the participation process. The Mayoral Izimbizoin November 2016 once again formed the cornerstone of public participation for this process.

All ward committees are committed to serve their communities and are fully functional. The municipality is currently conducting workshops to capacitate the newly elected ward committee



components to ensure the ward committees are fully functional and effective. Furthermore the municipality has set resources aside to assist with the operational costs of the ward committee structures to enrich public participation and therefore the IDP.

Systems have also been put in place to effectively and efficiently deal with ward committee issues. The municipality has delegated Committee Clerks to serve as secretariats at ward committee meetings to provide more support and ensure that issues that are deliberated at these meetings are service delivery based and that Council effectively addresses the issues raised at the ward committee meetings. The municipality in partnership with IDASA is capacitating ward committees.

The non-attendance of Sector Departments poses a number of challenges and limitations for the Municipality such as:

- Limit level of engagement and knowledge sharing
- No proper alignment
- Duplication of funding
- Department projects that are not urgent to communities
- Some sectors are neglected some remain unfunded

4.4.5.4 Ward Based Planning

Ward/Community Based Planning programme forms a major component of the Good Governance and Public Participation KPA. Ward Based Planning prioritizes needs are formulated for five years and reviewed annually. Further to this, for a more effective planning, it must be noted that in undertaking this exercise, the planning must be prepared by the residents of the ward, owned by the community and be supported by discretionary ward funds provided by the municipality or where possible, a sector department and provide useful information in guiding the IDP. Participants include, Stake holders, ward committee members, CDWs and Amakhosi/representatives from traditional authorities who jointly plan and prioritize for their respective wards and vision for each ward. Developing of the plans in all the municipality wards has been conducted, currently being developed, to be presented to Council for adoption and finally submitted to Cogta in due course.

4.4.6 Communications Strategy

Ray Nkonyeni Municipality has a communication strategy in place, (**See attachment No. 26**). It was adopted in January 2017. The strategy is intended to serve as the spring board for the municipality to improve effective communication with the citizens and all relevant stakeholders on municipal services and on local issues. Ray Nkonyeni Communication Strategy shall be reviewed in every Local Government Elections Cycle review. The Council or the Executive Committee can through a special resolution call for an earliest review of the Strategy.

In order for Ray Nkonyeni to achieve the stated strategic emphasis, this strategy:-

- Subjects councilors and employees to communicate information which is aligned to municipality's vision and mission and other government legislation
- Displays the belief that communication is a fundamental factor in the achievement of the goals of accountable, open, transparent and responsive local government



- Commits itself to compliance with all relevant statutory prescripts regarding the making available of information held by the municipality

Following is a very brief summary of the objectives of the Strategy.

- Research has shown that communication has in modern times become a fundamental tool used by organizations to remain in touch with their clientele. In this context, the objectives of this strategy are:
- To ensure that the municipality does not lose touch with its constituency by ensuring that the principles of Batho Pele are advanced and promoted at all times
- To comply with the legal obligations as prescribed in the Constitution and the other relevant Acts of Government in the upholding of democratic values and principles
- To provide a mechanism of communication between the Ray Nkonyeni, the community and the other sector departments and stakeholders
- To proactively provide the public with timely, accurate, relevant, understandable and complete information about Ray Nkonyeni vision, policies programmes, services and initiatives using recognised language.

4.4.7 Bid Committees

The municipality has fully fledged Bid Committees. Each Bid Committee comprises of 5 members of which 1 member being from the Procurement Section and the Bid Adjudication Committee is chaired by the Chief Financial Officer.

In accordance with Chapter 11 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) delegated authority had been bestowed to the Bid Specification Committee to approve tenders and tender notices whereas the Bid Adjudication can adjudicate all tenders up to the value of R5million. Any value over and above will be awarded by the Municipal Manager at his discretion.

In accordance with the Supply Chain Management Regulations and Section 17 of the municipality's Supply Chain Management Policy, all awards made by the Bid Adjudication Committee are submitted to Council monthly as part of the oversight role.

4.4.8 Putting People First (Batho Pele)

In line with the Local Government Back to Basics programme, ten drafts IDP/Budget izimbizo clustered were held to ensure that more voices were heard and participated in the development of the municipality. Most clusters/wards communities commended the good work in terms of service delivery performed by the municipality, but this does not mean there are no backlogs in some areas.

i. Batho Pele Strategy

The Municipality adopted the Batho Pele Strategy in June 2018. It must be noted that the implementation of the principles are in line with the KZN Cabinet Lekgotla Resolution of 2016. The municipality fully adheres to the eleven principles of Batho Pele as it has over the years displayed good governance to its citizens.



ii. Customer Service Charter

The Customer Service Charter of the municipality was reviewed and adopted in 2018. The charter serves as an expressed commitment by the municipality to its end users as an effort towards building a customer driven organization where the requirements of the customer comes first, within the limits of available resources. The municipality has over the years undertaken to consult all its customers on the level and quality of services provided as well as development required, to continue to improve the living conditions of its communities. Further to this, the municipality has committed to serve its customers as envisaged by the Batho Pele Principles in the White Paper on the transformation of the Public Service (1997) as follows:

- Consultation
- Service Standards
- Access
- Courtesy
- Information
- Openness and Transparency
- Redress
- Value for Money
- Encouraging Innovation and Rewarding Excellence
- Customer Impact
- Leadership and Strategic Direction

iii. Service Delivery Improvement Plan

The service delivery improvement plan will be developed in the 2020/2021 financial year.

iv. Telecommunication

Stakeholder Relations and Customer Care unit oversees the Switchboard/telecommunications and Customer Care running of the municipality.

There is quite good telecommunication network coverage although more still needs to be done to reach world standards. However, it must be noted that in the furthest rural northern part of the municipality, telecommunication network coverage is poor. In formal urban settlements majority of the people have access to Telkom services. In rural areas the majority of people rely on cellular phones. Some key issues faced by the Municipality access to telecommunication service, infrastructure information and a lack of co-ordinated planning to meet the district's needs

The switchboard/telecommunications office has 4 operators handling all incoming calls and direct them to different departments in the organization. Complaints calls do not come through these lines but have a dedicated telephone number. However, both falls under the same unit called Stakeholder Relations and Customer Care.

Service Delivery and Budget Implementation Plan(SDBIP)

The SDBIP is in place (**See attachment No. 1**). The six National Key Performance Areas are listed in the SDBIP. Performance Indicators are clearly outlined per KPA as well as the period when it will be performed and completed. The municipality has set out Strategic Objectives to measure performance. Performance is reported on quarterly basis where by portfolio of evidence



is produced, and if targets have not been met due to challenges encountered, corrective measures must be made.

The municipality has identified services to be improved and they appear in the table below:

Table 49: Improvement Plan

PROJECT	IMPROVEMENT PLAN
Refuse removal	The municipality has extended its refuse removal to areas previously not receiving this service (rural). Skips have been provided where refuse is stored until collection time. In some areas identified, refuse is collected once a week
Motor licensing	The municipality needs to improve its customer care and minimize complains from the public
Electrical services	The Electrical Master Plan has been developed and is in place. This plan seeks to address those areas that have a backlog in electricity and also it addresses concerns in areas where other types of energy need to be utilized.

4.4.9 Operation Sukuma Sakhe (OSS)

The municipality has partnered with the Ugu District Municipality as well as Provincial Departments in implementing the Sukuma Sakhe flagship programme which is aiming at creating sustainable livelihoods through the provision of integrated services to communities. It must be mentioned that the municipality fully adheres to the Kwa Zulu Natal Provincial Government's Coat of Arms, which means, "Let's stand up and build." This is a call on the people to overcome the issues plaguing their communities such as poverty, unemployment, crime etc. Below is a table indicating wards which have been identified as highly deprived. This information was obtained from war rooms meetings.

4.4.10 War Rooms

Out of 36 wards within the municipality, 32 wards have functional war rooms and these sit twice a month. The remaining three wards, (Ward 12,18 & 19) are not functional as there are no designated field workers. Ward 29 is not fully functional due to technicalities.

It must be mentioned that even though war rooms are functional in some wards, there are no sufficient tools of trade to function effectively, such as office equipment. Below are the obstacles that hinder effective functioning of these war rooms:

- Non-attendance by Sector Departments
- Lack of proper training tools on the programme
- No resources e.g. stationery and other equipment since CDW's are not in all wards
- Poor response and non – submission of referral forms to Sector Departments
- High volume of unresolved issues raised in war rooms and non-intervention by the Sector Departments



4.4.11 Amakhosi

The Municipal Structures Act, Section 81 stipulates that Traditional Authorities may participate in the proceedings of the Council. This is carried out in an event where by for an example the municipal council takes a decision on any matter affecting the area of a traditional authority, the council must give the leader of that authority an opportunity to express a view on the matter. Ray Nkonyeni Municipality has adhered to this section of the Act. The nine Authoritative Areas are fully represented by Amakhosi during Council meetings.

4.4.12 Governance

The municipality has a transparency in its governance. This is ascertained from all the public engagements it runs whereby all information required by communities at large is made public. Further, the municipal manager has an open door policy depending on his availability. He engages with the members of the community, from Stakeholders, ratepayers, ordinary community members etc. Also, the Mayor and Deputy Mayor have monthly schedules whereby communities are engaged on Council matters. Members of the public are welcome to sit in Council meetings.

4.4.12.1 Budget Transparency

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. Whilst the municipality's budget is closely monitored on a monthly basis by the relevant oversight structures of the council, no overspent or underspending of the operational budget was experienced in the previous financial year. The municipality has managed to spend 100% spending of its capital budget and currently has loans with DBS and Standard Bank that are being paid but does not anticipate in making future loans since it does not afford loans because of an adverse cash coverage.

When budget has been adopted by Council, the Mayor makes public notice to all the municipality's citizens, which is in line with the Batho Pele Principles.

4.4.12.2 Audits and Qualifications

The municipality's commitment to national targets of clean audit and that corrective action plan to address all the findings raised by the AG is in place and closely monitored by Finance portfolio, Executive Committee (EXCO), MPAC and Audit Committee. The municipality obtained an unqualified Audit Report in the current financial year and controls are in place to address this and ensure that the municipality reclaims its Clean Audit status in the next current financial year. The Ray Nkonyeni Municipality Operation Bounce back action plan for period ended 30 June 2019 has been established to address findings from the previous report by the AG. This action plan list the findings as per the AG and the manager responsible has to come up with corrective measures. These are closely monitored by the Internal Audit manager and reported to the Municipal Manager.

4.4.12.3 Portfolio committees

Each Department has a fully functional Portfolio Committee and each sits once a month on different scheduled dates as per the municipal Calendar to deliberate on issues facing their respective departments. Managers compile monthly reports which are submitted to the Head of Department who in turn submit to their respective Portfolio Committee. Each portfolio committee



is chaired by the ruling party's representative who is a member of the Executive Committee. These committees do not adopt any issue discussed, but findings made are reported to EXCO.

Below are the portfolio chairs.

Portfolio Chairperson	Portfolio Committee
 Cllr L Ntanzu	Good Governance and Public Participation
 Cllr NCP Mqwebu(Mayor)	Finance
 Cllr MT Lubanyana	Community Services
 Cllr H Craig	Development Planning Services
 Cllr AM Mpisi	Public Safety and security
 Cllr AS Dlamalala	Technical Services
 Cllr Y Nair Cllr (Deputy Mayor)	Corporate Services



4.4.13 Back to Basics

The municipality has a dedicated official (Manager Performance Monitoring and Evaluation) who ensures that the monthly reports as well as the quarterly reports as per the requirement are compiled, analysed and sent to both Province and National timeously. These reports are further reported during the SDBIP sessions and if there are findings made, the responsible Head of Department ensures that corrective measures are designed to address those issues.

4.4.14 Municipal Policies

To achieve goals and targets set, as well as ensure good governance, the municipality has policies in place that have been adopted by Council and listed on the next page. It must be noted that some strategies, plans or policies are reviewed when need be, so it is not all that are reviewed annually.



Port Shepstone



Table 50 : Municipal policies/strategies and plans

Department	Policy	Date of adoption	Strategies	Date of adoption	Plans	Date of adoption	By laws	Date of adoption
Department of Community Services (DCOMMS)			Hall Libraries and Museums	2010			Waste management Bylaws	Nov 2018 (Provincial Gazette No.2046 of 21 Feb 2019)
			Plot Clearance	26 Aug 2008			By laws relating to beaches and launch site	Feb 2019
							Cemetery and Crematorium By-Law	27 Nov 2018 (Provincial Gazette No.2036 of 24 Jan 2019)
Department of Treasury	Rates Policy	Review 2017-2018						
	Consumer Care, Credit Control and Debt Collection Policy	2017/2018						



	Indigent Policy Review	2017/2018						
	Revenue Enhancement Strategy Policy	2017/2018						
	Asset Management Policy	2017						
	Petty Cash Policy and Procedures Review	2017						
	Investment Policy and Procedures Review	2017						
	SCM Policy Creditors and Staff Payment Policy	2017						
	S & T Payment Policy	2017/2018						



	Budget Policy							
	Borrowing Policy	2017/2018						
	Budget Virement Policy	2017/2018						
	Funding and Reserve Policy	2017/2018						
	Long Term Financial Planning Policy	2017/2018						
Department of Public Safety (DPS)			Public Safety Strategy	2018				
Department of Development Planning Services (DDPS)	Informal Traders Management Plan & Policy	2017	SMME & Co-operatives Development Strategy and Plan	2014	Alamein Precinct Plan	30 June 2016	Informal Trading By-Laws	31 Aug 2017
			Port Shepstone Urban Renewal	August 2012	Gcilima and Gamalakhe	30 June 2016		



	Investment Incentives Policy	2017			Local Area Plan			
	Investment Protocol	2018	Margate Urban Renewal	28 Feb 2018	Margate Airport Master Plan (Feasibility Study)	30 June 2016		
	Business Retention and Expansion Policy and Plan	2013	GIS Strategy	30 June 2018				
	Ray Nkonyeni Spatial Development Framework 2017-2021	8 Nov 2017 30 June 2018	Urban Development Framework for Hibberdene and Port Edward Review	28 Nov 2017				
	GIS Policy		Development Planning Framework for Shelly Beach, Uvongo and Margate	30 June 2016				



			Ray Nkonyeni Wall-to-Wall Scheme	26 Nov 2019				
			LED Strategy	2018				
Department of Technical Services (DTS)	OPMS/ Procedural Manual	Aug 2017			Electrification Master Plan	2018		
	Ward Committee Elections	2016			Human Settlement Sector Plan	2018		
	Ward Committee Payments	2017						
Department of Strategic Planning (DSPG)	Risk Management Policy	2017	Communications Strategy	2017 (Review in 2021)	Ward Based Plan	2019		
			Batho Pele Strategy	2019				
Department of Corporate Services (DCS)	Recruitment and Selection Policy	2017	HR Strategy	2017	Work Place Skills Plan	2017		
			IT Strategy	2017				



Further to the above mentioned policies, in terms of Schedule 4B and 5B of the Constitution, the municipality has also adopted a number of promulgated bylaws and have been reviewed.

These include:

- Credit Control by law,
- Fire by law, Beach by laws
- Rates by laws
- Solid Waste bylaws
- Informal Trading bylaws,
- Hiring of halls by laws and
- Environmental Conservative bylaw.

4.4.15 How the municipality has responded to PGDP 2035 Goal 6: Governance and Policy

In response to the Governance and Policy under the following objectives:

- Strengthen policy, strategy coordination and IGR
- Build government capacity
- Eradicate fraud and corruption
- Promote participative, facilitative and accountable governance

Ray Nkonyeni Municipality has ensured that it fully adheres to it. Its policies and strategies talk to the national and provincial levels. The municipality has developed a strong fora for engagement between itself and Government as well as its social partners. Furthermore, the municipality has developed a credible mechanisms to regularly measure the level of alignment between its municipal budget and the PGDP and district and development plans. There are functional IGR Forums, MuniMEC. According to the PGDP 2035, the need to build government capacity to implement policies, strategies and programmes remains one of the most critical priorities of KZN and the country.

Ray Nkonyeni Municipality is proud to announce that all its strategies and policies formulated have been fully implemented. The public is satisfied with the level of service delivery it gets from the municipality, hence no public riots have taken place thus far.. All critical posts have been filled and the municipality received an unqualified audit. The conditional grant the municipality obtained was fully spent in accordance with the business plans in place. The eradication of fraud and corruption is an especially critical objective of the PGDS, and the municipality treats it with a no nonsense stance.

The municipality's governance is run in transparent, fair and accountable manner The anti-fraud and corruption strategy has been adopted. Ethic presentations have been presented by the relevant unit.. There is a hotline running and cases reported are investigated. The municipality also ensures that it fast tracks disciplinary processes for effective consequences of engaging in fraudulent and corrupt activities. The municipality further releases statistics for fraudulent cases.

It must be mentioned that RNM has over the years ensured a swift, fair and efficient action is being taken to conclude all investigations into alleged fraudulent and corrupt activities. The



SCM is run in a very transparent and effective manner. The monitoring and auctioning of irregular and unauthorised expenditure has been improved.

As a service delivery entity, RNM aligns to objective 6 which talks to promoting participative, facilitate and accountable governance. The municipality fully accounts to its communities and engages in various platforms as listed earlier in the KPA.

In the case of local economic development being cascaded down, the municipality has leveraged social partnerships in the form of forums where stakeholders and sector departments engage on economic development issues. Ward committees are full functional and report on monthly basis on community deliberations. The Ugu District has a centralised developmet agency which is fully functional. The agency is promoting a more conducive environment for existing business and potential to realise the economic potential of each of the four local municipalities.

Table 51: Good Governance and Public Participation SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Ward committees are fully functional • Effective Municipal structures • Excellent task team Management • Internal audit and Risk Management in place <ul style="list-style-type: none"> • Excellent good governance • Strategies and policies adopted • Budget transparency • Functional Portfolio Committes • Operation Sukuma Sakhe fully functional • Amakhosi participate in Council 	<ul style="list-style-type: none"> • Little alignment of IDP and the other Ugu Municipality family • Vacancy rate high • Poor attendance of Sector Departments in War Rooms
Opportunities	Threats
<ul style="list-style-type: none"> • Improved flagship program • Improved functionality of the District's Planners Forum • Excellent Public participation mechanisms • Municipal Structures in place 	<ul style="list-style-type: none"> • Poor participation of sector Departments in IDP Forums • Some wards are deprived and other semi deprived • Service Delivery Improvement Plan not in place



4.5 BASIC SERVICE DELIVERY AND INFRASTRUCTURE

4.5.1 Water

The provision of water services is the responsibility of Ugu District. This includes the delivery of bulk sanitation infrastructure such as the waste water treatment plants. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality other treatment plants are privately owned and managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located inland of the coastal strip. The District has an WSDP (**See attachment No. 20**).

In South Africa, water and sanitization related problems are major causes of hospital admissions and deaths. These diseases include dysentery, cholera, typhoid and acute diarrhea as well as bilharzia. The Ugu District's Environmental Health Department ensures that its waters are not contaminated and is closely monitored.

4.5.1.1 Areas that lack access to water

Within RNM, the number of households without access to water is estimated at 10 873 which makes up 13% of the population. The municipality noted that there are still backlogs in terms of clean water provision to some areas in rural areas. The wards with the biggest clean water backlog is ward 8, 15, 29, 30, 31, 32, 34 and 35. The other wards with hardship in terms of water access are wards 4, 27, 33 and 36. These households use spring, dam and rivers as sources of water and are prone to a number of water borne diseases. The municipality has also made provision of water tankers to supply water to those communities with little or no access to water.

4.5.1.2 Sources of water

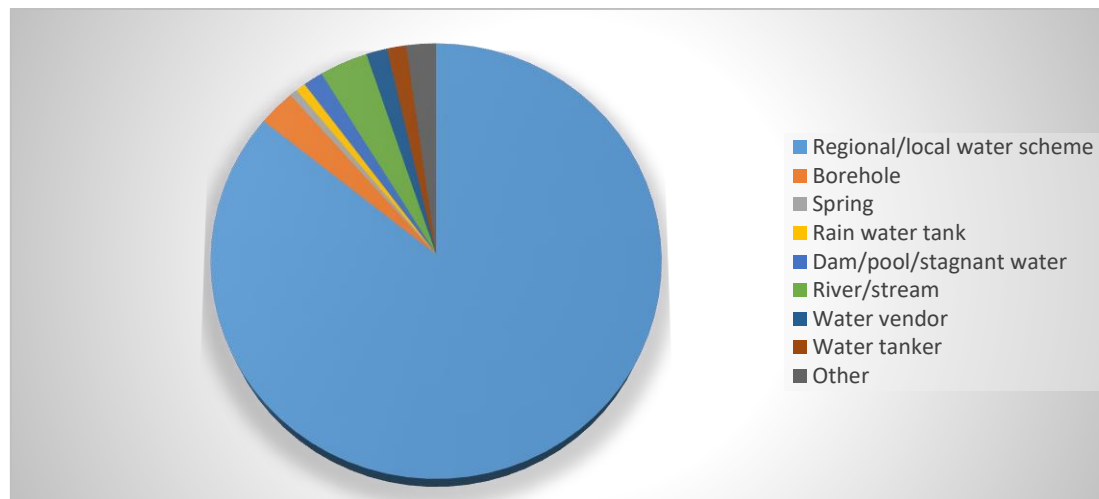
Ray Nkonyeni Municipality through Ugu District has played a vital role in providing clean drinking water to a large majority of its communities. There are still backlogs in terms of clean water provision to some areas in rural areas and is shown in the map below. These households use spring, dam and rivers as sources of water and are prone to a number of waterborne diseases. The municipality has also made provision of water tankers to supply water to those communities with little or no access to water.

Ray Nkonyeni Municipality's households' access water using different sources as indicated in the graph below. A large percentage of households within the municipality have access to clean water.

The graph on the following page illustrates households with different types of accessing water within the municipality.



Graph 11: Sources of water



Source: Statistics South Africa Community Survey 2016

4.5.1.3 Bulk Water Infrastructure

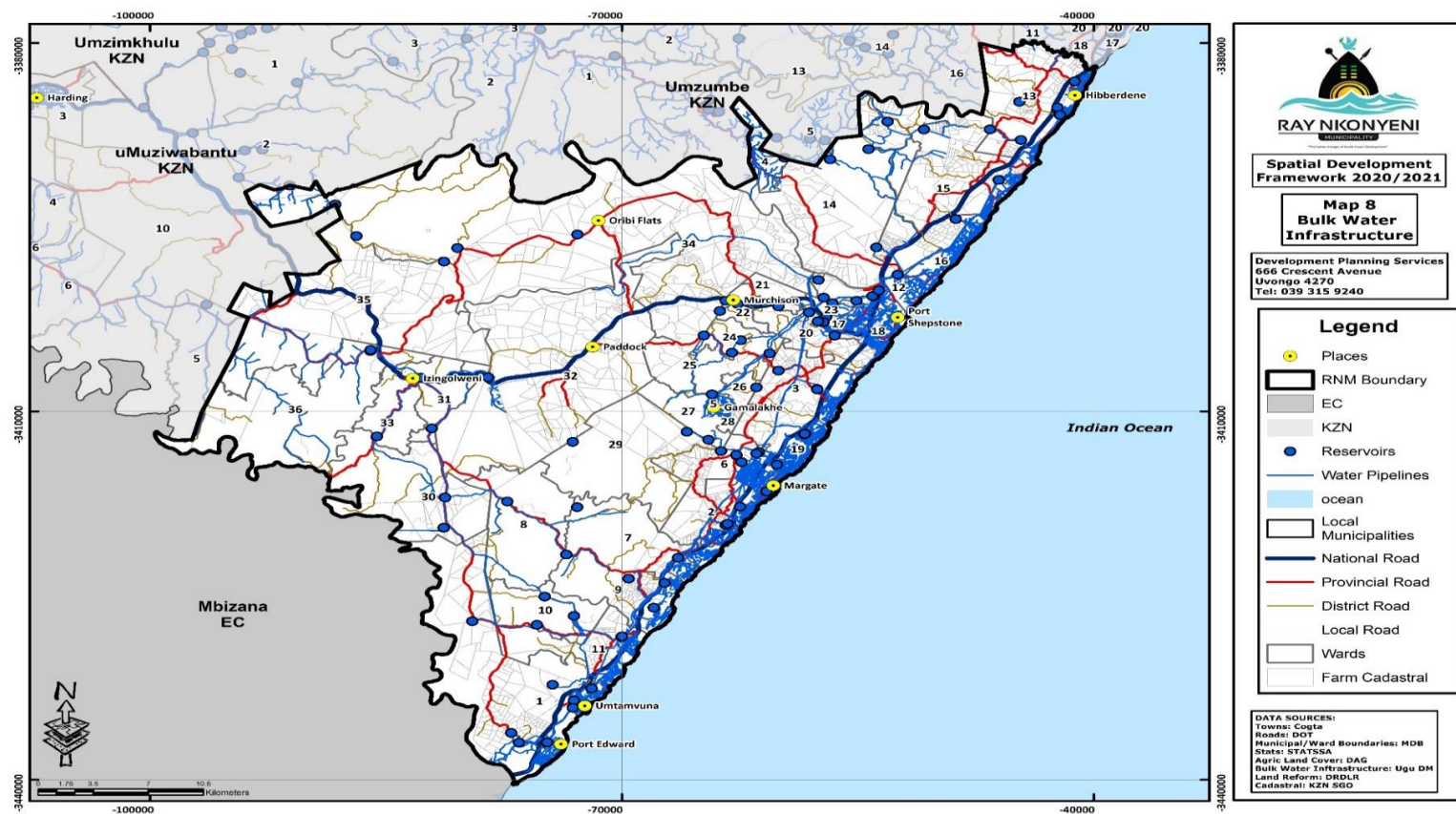
The water supply zones in the municipality are defined as below however a further analysis is still required where a number of interconnections exist to allow certain areas to be supplied from more than one bulk supply source. Ugu District Water Services Development Plan (WSDP) was prepared in 2008 and as such is due for review. The water supply to the District is derived from dams, rivers, ground water and bulk purchases from Umgeni Water. The northern coastal strip (i.e. Craigburn, Umzinto and Umtwalume) is serviced by potable water purchased in bulk by Ugu from Umgeni Water. The southern coastal strip is serviced by water extracted from a number of rivers and dams which is then treated at several of treatment plants owned by Ugu before being distributed. This plan noted that the major infrastructure for water that exists within Ugu District includes:

- Dams 4
- Pipelines 3 896 km (estimate)
- Reservoirs 150
- Pump Stations 120
- WTW 16; and
- WWTW 10

Ugu WSDP indicated that the rivers within the District Municipality have sufficient surplus flow to cater for the water demands for the foreseeable future. However some of the infrastructure needs to be upgraded to cater for the demand. The aging infrastructure and rising demands have resulted in Ugu District Municipality embarking on the Non-Revenue Water management programme to reduce water losses and new water project to meet the demand. The Umzimkhulu augmentation and South Coast bulk pipeline are now at implementation stage with other programmes provided for in the next year's indigents. On the following page is a map showing the bulk water infrastructure.



Map 25: Bulk water Infrastructure



Source: RNM GIS 2018



4.5.1.4 Bulk Sewerage

Ray Nkonyeni Municipality is not a sanitation service authority municipality hence water and sanitation services are planned and provided by the Ugu District Municipality. Therefore, sanitation provision is the responsibility of the Ugu District Municipality. Most of the treatment plant facilities are owned and managed by the Ugu District Municipality while other treatment plants are privately owned and privately managed. There are several pump stations in the reticulated areas whilst waste water treatment plants are generally located in land of the coastal strip. Steep topography can be a hindrance in water supply. Ugu Water Services backlog between Sezela, Umtentweni, Southbroom and Port Edward.

4.5.2 Access to sanitation

Communities throughout the municipality have access to different types of sanitations. However, the flush toilet system is the most dominant in urban areas. Amongst the Ugu District Local Municipalities, Ray Nkonyeni Municipality has more households with flush toilet systems (32.9 %). On the other hand, Umzumbe has only got 2.7% households with the flush type of sanitation. This may be attributed to the fact that Umzumbe's topography is steep making it too expensive for the District Municipality to connect pipes and build reservoirs. The below graph shows this information in the entire Ugu District.

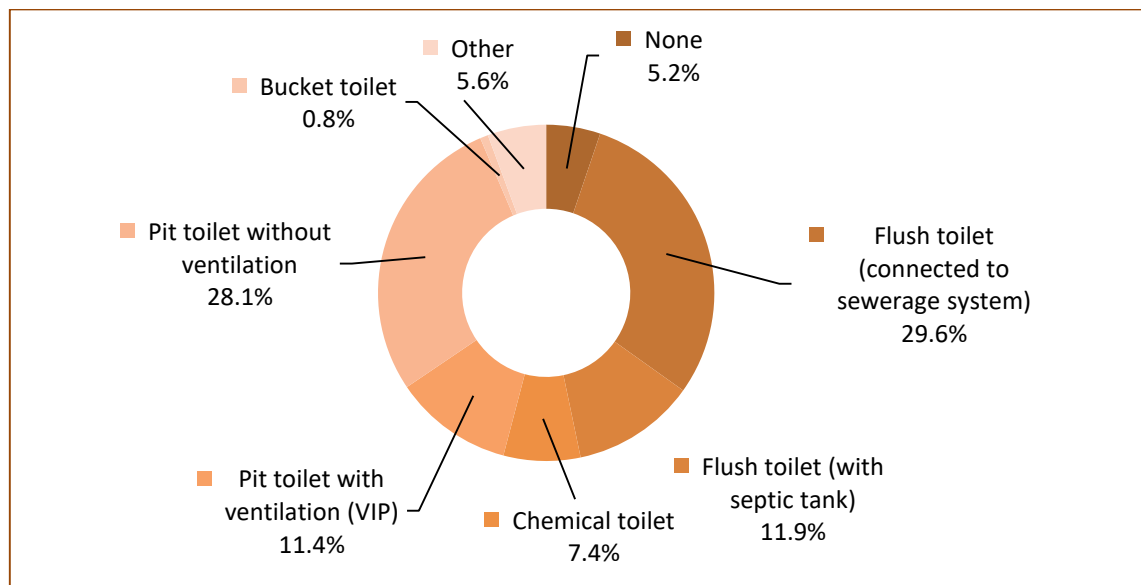
Table 52: Type of toilets systems

Main type of toilet facility used	Flush	Chemical	Pit / Other	None
Local municipality 2016				
KZN212 : Umdoni	28.1	15.8	51	5
KZN213 : Umzumbe	2.7	15.3	79.4	2.4
KZN214 : uMuziwabantu	9.2	11	78.4	1.5
KZN216 : Ray Nkonyeni	32.9	2.6	59.1	5.3
Ugu	24.3	8.3	63.2	4.3

Source: Statistics South Africa Community Survey 2016

Sewer infrastructure in the urban part of RNM is also in need of upgrading to cater for an increasing urban population. Approximately 14 493 households do not have access to sanitation facilities within the appropriate standards. This makes up to 17% of the total population within Ray Nkonyeni Municipality. The map that follows shows the number of people per those wards with no access to sanitation.

Graph 16: Types of sanitation



Statistics South Africa Community Survey 2016

Ugu Water Services Development Plan estimates that R 2, 1 billion is required to meet the waterborne sanitation backlog between Sezela, Umtentweni, Southbroom and Port Edward. The existing sewerage reticulation, pump stations and treatment works infrastructure was assessed in 2004/2005 to be in need of refurbishment requiring R120 Million. To date a total of R 30 Million has been invested in this area resulting in a number of the beaches retaining their Blue Flag status. The water borne sanitation programme was assessed and a master plan developed for the whole district. The first phase of prioritise areas will be undertaken in the next two years against a R100m loan facility.

4.5.2.1 Areas lacking sanitation

Approximately 14 493 households do not have access to sanitation facilities within the appropriate standards. This makes up 17% of the total population within Ray Nkonyeni Municipality. Ward 8 and 15 have the highest sanitation backlogs. These are followed by ward 3, 6, 7 and 34.

Below is a map that show the number of households within the above mentioned areas with no access to sanitation.



4.5.3 Solid Waste Management

The National Environmental Management: Waste Act of 2008 requires each municipality to implement the Waste Management hierarchy which categorically states the following:-

Reduce, Reuse, Recycle ,Treat and Dispose.

The waste management system being implemented by the municipality is aligned to the requirements of the Act and further elaborated details are provided in the sector plan

4.5.3.1 Integrated Waste Management Plan

Ray Nkonyeni has an Integrated Waste Management Plan was reviewed and adopted in 2017, (**See attachment No. 30**) The plan focuses on the management of general waste generated by the major centres of the municipality. The municipality is responsible for waste collection. The Integrated Waste Management Plan (IWMP) focuses on waste recycling and refuse removal of household solid waste, business and industrial waste, as well as development and management of garden refuse stations.

The current status is as follows:

- The coastal strip residential areas receive a weekly collection service of household refuse (important to look at population density in relation to this service);
- Businesses and flats within the coastal strip received a collection twice a week.
- Industrial areas have skips in place and are cleared daily.
- The rural areas do not benefit from any co-coordinated, municipal approach towards: refuse removal, or solid waste management; and
- Informal settlements have skips and are serviced once weekly.

Only the urban formal settlements receive waste removal and if looking only on that population the service covers 100% of the households. It is envisaged that the majority (approx 62%) of the population have their refuse removed by the municipality at least once a week and (approx 28%) make use of their own refuse dumps.

The IWMP further investigates the number of registered landfill sites and their lifespan, need for new sites, extension of service and rehabilitation. The plan will expose other means of extending the service to rural communities in a cost effective and coordinated manner. The existing landfill will be filled in year 2035 and the plan for a new site will start in the year 2025. Waste disposal methods are alternatives and will be explored and working for waste programmes. Waste minimization, promotion of environmentally friendly waste management practices, efficient waste management and improved service delivery mechanisms are also practised. The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The IWMP is partially being implemented with the available budget.

There are (6) six garden transfer stations located throughout the municipality and one of them is undergoing the EIA process. The listed projects (see attachment) are in line with the IWMP will undergo EIA process.

In some instances, the geographical landscape poses some challenges with service provision. It is a challenge to provide services to sparsely populated communities and in areas with steep



terrain thus the cost of service provision is too high. The Integrated Waste Management Plan focuses on the following objectives:

- To decrease waste deposited at municipal landfills.
- To build capacity through information sharing.
- To improve, develop & maintain infrastructure to comply with legislative requirements & Ray Nkonyeni Municipality needs.
- To provide effective waste collection services for the municipality.
- To provide effective waste management services for the municipality
- To provide cost effective waste management services.
- To create, implement & enforce the necessary legal regulatory & policy framework to support waste management service throughout Ray Nkonyeni Municipality.
- To minimize illegal dumping the municipality will embark on awareness campaigns, increase accessibility to disposal facilities, monitor and follow up where the dumper can be identified and implemented a penalty system for offenders.

A service level agreement has been signed with a company to operate a recycling facility (for a period of three (3) years) within Port Shepstone as the economical hub of the municipality. The agreement ended in October 2019. Anticipating to award the new contract in March 2020. Currently, the recyclable waste is being given to waste recyclers operating within the municipality.

Kerbside recycling called two bag project has been introduced to ten formal residential dwelling with a minimum of 700 houses each. There are areas that are participating in a two bag projects. Those areas are given or supplied with two bags (black bag for general waste and Clear Bag for recyclable waste). The municipality is responsible for collecting waste in those areas. The information on recyclable waste is reported to South African Waste Information Systems

It should be noted that there are seven drop off facilities to cater for areas that do not have bag projects. New recycling initiatives within industrial sector and composting are still under investigation. Below is a map indicating the location of these initiatives.

The IWMP allows for EIA to be conducted where necessary and covers all aspects of environmentally friendly practices. The IWMP covers options that are mainly environmentally friendly. The listed garden and drop-off faculties in the IWMP do not trigger a listed activity therefore no EIA will need to be done.

4.5.3.2 Refuse removal and landfill

Oatlands Landfill site is the only registered site within the municipality. It has an estimated twenty (20) years airspace remaining. All collected waste within the municipality is disposed off at Oatlands. Waste collection zones are in Hibberden, Port Shepstone, Margate, Ezingoleni, Sea Park, Port Edward, Sunwhich Port South Port and other coastal settlements. The municipality plans to extend the waste removal service to rural areas. There are two unregistered landfill sites within the municipality and these sites are located at Umtentweni and Hibberdene.

4.5.3.3 Status of waste collection services

The municipality conducts a level 4 service for the coastal areas and a level 3/4 in 21 other wards that are densely populated areas/townships. The combined level of service comprises both awareness campaigns, supervision and provision of refuse bags with recyclable waste collected. Up liftment frequencies range from weekly to quarterly. The coverage of service delivery is thus



69.4% of the municipality. The map on the following page show the level of waste collection in different parts of the municipality.

4.5.3.4 Basic refuse removal service

The Basic refuse removal policy give guidance on collection of refuse for households in the jurisdiction of the municipality. It should be noted that on-site disposal is an option where travelling distances and the resulting costs may render regular waste collection services impractical hence the recorded 2393 households with no access to refuse collection services is not a major factor. The highly affected areas are the peri-urban areas with no access to the service whatsoever. The municipality plans to address this issue through EPWP and CWP programmes.

4.5.3.5 Waste collection backlog and *needs*

Almost all rural wards except for Ward 1 within the municipality have a backlog in the collection of waste. There are areas, however, with urgent needs to have solid waste removal programme implemented. These areas are semi-rural and currently do not have the programme. These areas include;

- Bhobhoyi
- Murchison
- Qina bout and Kwa Xaba
- Gcilima

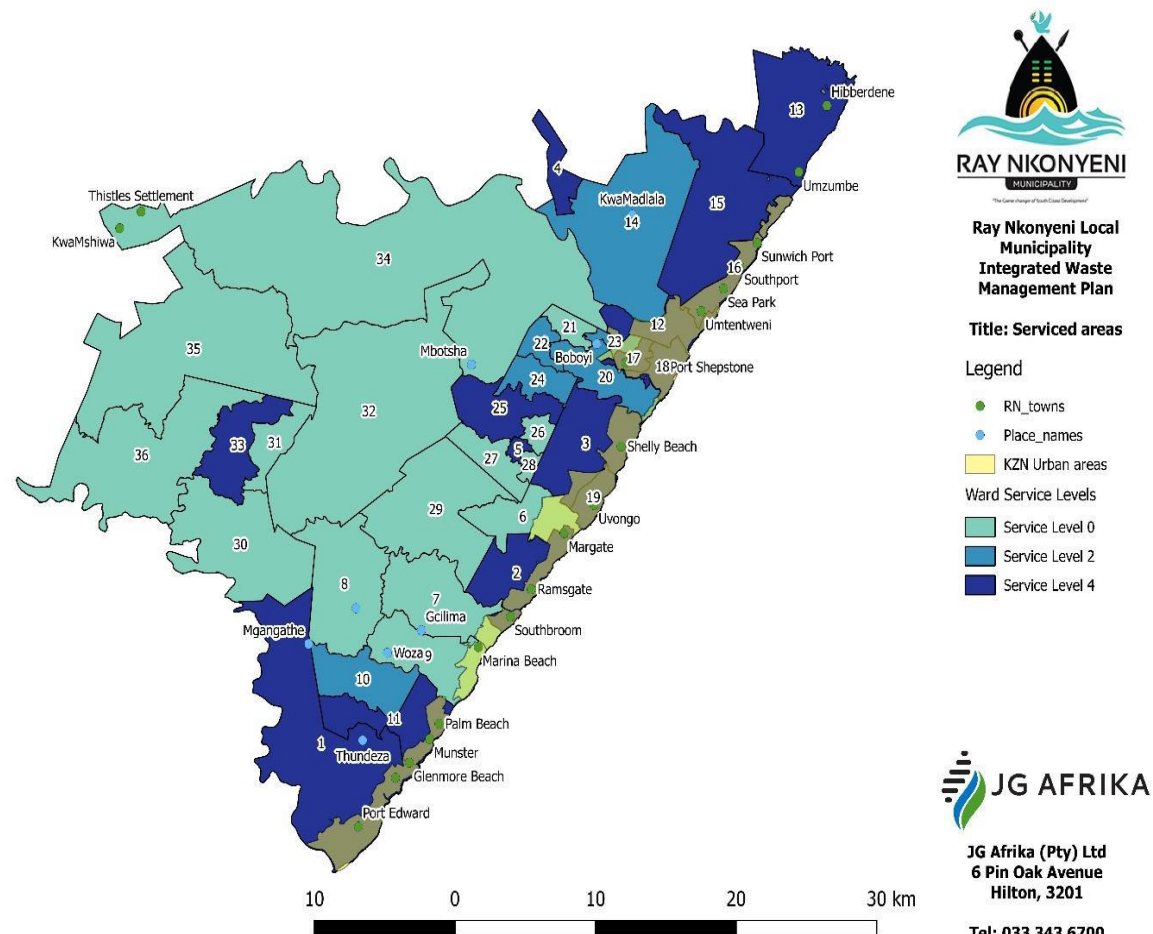
Although the municipality is currently not uplifting waste in rural areas, there is a section dealing with Education and Waste programs as well as waste minimization initiatives. Some of the initiatives/study includes Route Optimization for waste trucks as well as and waste reduction feasibility study. The outcomes of these studies with determine the best suited solution to problem. The section also participates in exchange program with other municipalities to learn best practices with regards to waste collection in rural areas.m

4.5.3.6 Waste collection in rural areas

In rural areas of the municipality, waste and dumping in not controlled and when heavy rains come, the refuse is washed into rivers resulting in diseases for those communities drinking the running water. The number of households which have no refuse removal at all have been increasing throughout the years but saw a decline in the last few years. The municipality is conducting education and Waste campaigns as well as establishing waste management committees in rural areas. This suggests that in-migration is not only from rural to urban, but population growth is rural areas as well.



Map 18: Waste collection in rural areas



Source: RNM GIS 2012



4.5.3.7 Waste types and quantities

A study conducted in 2012 at the Oatlands weighbridge data show that:

- Domestic/Commercial waste was 61% of the total waste collected;
- The total recyclable content is 11.6%;
- Industrial waste was highly recoverable at ~22%;
- Industrial waste was dominated by polystyrene, polypropylene nets and K4-cardboard (packaging materials).
- Paper and plastic recyclables dominated the recyclable composition
- Commercial centres have room for improvement (e.g. The South Coast Shopping Centre yielded 100% recoverable waste material)

4.5.3.8 Waste recycling, treatment and disposal

Recycling programmes have been developed by the municipality using a separation at source program and voluntary drop-off centres. The process begins with a two-bag system for kerbside collection. Recyclables are placed in clear bags and collected separately from black non-recyclable bags. Clear bags are sent to Ravine Lane Recycling/Buy-Back Centre where further separation / baling is carried out by a private enterprise. Additionally, seven drop off centres are available for the public to NWMS goals for waste management in South Africa state that waste can be reusable. Ray Nkonyeni fully adheres to these goals.

Re-use of a “waste” removes it from the waste stream for use in a similar or different purpose without changing its form or properties. After re-use comes the recycling of waste, which involves separating articles from the waste stream and processing them as products or raw materials.

It results in the diversion of materials that still have useful physical or chemical properties, out of the waste stream. These can then be used to replace raw, or virgin materials in product manufacturing. The objective of recycling is to save resources and reduce the environmental impact, by reducing the amount of waste disposed at landfills.

The illustration below is a summary of the information above.







4.5.4 Human Settlement Settlement

Human settlement could be defined as: the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support.

Over the years, this concept has developed further into a strategic framework for overall socio-economic development. The physical components of human settlements comprise of shelter (a house); basic services such as water and sanitation, electricity and refuse removal; security of land tenure rights; access to social facilities and services; economic development opportunities and improved amenity. Human settlements are the spatial dimension as well as the physical expression of economic and social activity. The creation of sustainable human settlements is inevitably an objective for social development. It defines and conditions the relationship between where people live, play and work on the one hand, and how this occurs within the confines of the natural environment. It is one of the most visible and quantifiable indicators of the society's ability to meet one of its basic needs – shelter, and a pre-requisite for sustainable human development and economic growth. Future human settlement projects within the Municipality is aimed to achieve all of these development goals within the broader national housing delivery policy, and planning and service delivery program.

Ray Nkonyeni Municipality has both a duty and an obligation to undertake a developmentally oriented spatial plan which subscribes to the principles of spatial justice, sustainability, efficiency, resilience and good land use management and administration. In recognizing its duties and functions as stipulated in Section 9 of the Housing Act, Chapter 5 of the Municipal Systems Act (Act 32 of 2000) and Sections 5(1) and 21 of the Spatial Planning and Land Use Management Act, the Ray Nkonyeni Municipality has adopted a Human Settlements Sector Plan which epitomizes its 2030 vision. The five year plan is reviewed annually to take into account any new developments in the Provincial and National policy directives

The Municipality has a Human Settlement Sector Plan (**See attachment No. 15**) which is a 13 year plan (2017-2030). The Human settlement Plan is reviewed / updated annually, which is aligned to the Provincial Human Settlement Spatial Master Plan. It reflects on the policy framework, the democratic profile, and the spatial and environmental context, institutional assessments, housing needs and supply, human settlement development strategy and implementation.

Priority Housing Development Areas

In its response to the Government Gazette published on the 17 May 2019, Ray Nkonyeni Municipality identified areas which are aligned with its IDP, Human Settlements Sector Plan and its Spatial Development Framework as its Priority Housing Development Areas (PHDA). These areas were approved by the Municipal Council. The areas are as follows:

a) Greater Port Shepstone N2/R102 Corridor PHDA

This area is described in the North by the water course separating Southport and Sea Park (Ward 16) till National Road (N2), coming South along N2 (towards Louisiana) till Umtentweni river and move along inland (North East direction) on the centre of the Umtentweni river (Ward 15 Louisiana) excluding Cabhane in KwaMadlala Traditional Area but including privately owned properties and the Maristella Church properties on the south of Umtentweni river joining St Faith Road. St Faith Road towards Louisiana township coming across the Umzimkhulu river covering part of Wards 12, 18, 17, 23, 21, 22 and portions of 32, 20 and 3.



b) Cluster 4: Gamalakhe Nositha

This area which starts at P200/Ray Nkonyeni road intersection towards Gamalakhe township. In Ward 26 to include Thembalihle, Mpovuza area towards Masimula area. In Ward 25 to include Masimula area. Wards 5, 27 and 28 areas included up till intersection of Oatlands and Nositha Road coming east towards P200. Oatlands Road and P200 intersection back to Ray Nkonyeni/P200 intersection.

c) Uvongo-Margate PHDA

This area is bounded on the East by the Provincial Road Marine Drive, Uvongo river on the North and using Masinenge west boundary as its North West and Western boundary and Westgate and Sea Slope Roads as its South West and South boundary. It includes Ward 19 and 3.

d) Shelly Beach PHDA

This area is bounded on the North by the Bhobhoyi river until it abut P200 on the North West, then moves South West through P200 until the intersection with Izotsha Road. Then it moves on Izotsha Road towards South Coast Mall as its Western and South West boundary until it intersect with Marine Drive. On the Eastern side, it then moves North on Marine Drive until Somers Road and moves East towards the Beach and joins the Bhobhoyi river mouth on the North. It is part of Ward 3.

Climate Change – Consequences for Human Settlements

The Municipal area is diverse not just in terms of population and biodiversity, but also in terms of its human settlements. Urban rural and costal human settlements face particular environmental and social challenges. The projected impacts of climate change on settlements are complex and diverse.

Some key impacts on human settlements

Climate Change Phenomenon	Consequences for Human Settlements
Heat waves and drought	Increase water demand, water quality problems, increase risk of heat related mortality especially for the elderly , chronic sick for young and poor, reduction in quality of life for people without appropriate housing
Intense precipitation events and severe storms	Adverse effects on quality of surface and ground water, contamination of water supply, Increase risk of death, injury, loss of property, and diseases. Displacement of families and migration to urban areas. Pressure on urban and rural infrastructure, disruption of water supplies including transportation.
Sea level rise and storm surges	Decrease in freshwater availability due to salt –water intrusion. Loss of property and livelihood, and challenges with risk cover to property.



Impact on Urban Settlements

Increased costs of water, liquid fuels and electricity as industry inputs. Increase cost of labour linked to food, energy, water and transport costs. Direct impacts of weather on construction, electricity generation and other industries, resulting in loss of productivity. Increased risk of lack of water delivery as a result of increased demand because of higher temperatures and drying conditions. Increased population size in urban and peri-urban areas, leading to increased pressure on service delivery and competition for resources, as a result of migration from rural areas affected by climate change. Increased disruptions to transport infrastructure (roads, rails, bridges, airports,) as a result of extreme weather events. Increased risk of extreme weather events to already vulnerable informal settlements, that are often unplanned, and without extensive service or infrastructure.

Impact on Rural Settlements

Reduced productivity of subsistence farmlands as a result of rising temperatures, unreliable rainfall, and water scarcity. Increased vulnerability to water shortages because of increased evaporation, changes in rainfall, damage to infrastructure from floods and storm surges, and reduction in groundwater recharge. Reduced availability of natural resources on which many rural communities depend, because of diminished biodiversity in already degraded ecosystems. Physical isolation of rural communities as a result poor rural roads and increased flooding and erosion. Reduced food security, particularly of subsistence farmers, and resultant increase in malnutrition. Increased migration from rural settlements to urban and peri-urban settlements.

Impact on Coastal Settlements

Increased loss of property and damage to infrastructure. Increased disruptions to basic services as increasing groundwater salinity accelerates leeching of toxins from landfills threatening drinking water, and rising seas and storm surges result in backwash” though sewage and wastewater systems causing damage and hazardous pollution. Increased groundwater salinity threatening smallholder and families who depend on vulnerable aquifers for irrigation of coastal farmlands. Reduced income from tourism as a result of reduced marine recreational opportunities and increased impact on tourism supporting infrastructure, such as beach access roads.



Impact on Human Migration and Conflict

Large flows of people both from rural areas to urban, and between urban (or peri-urban) areas. Climate-related food insecurity, service incapacity, extreme weather events and water security could lead to increased migration. Migration is likely to be experienced from both other Municipal areas and Provinces. Climate change will accentuate the existing trend towards urbanization due to the negative impacts of climate change on rural livelihoods.

Therefore spatial planning, design and funding for Human Settlement Programmes & Projects should be guided by environmental constraints created by climate change.

Municipal Housing Need and Housing Allocation Policy

According to Stats SA (2011) approximately 96 584 of households in Ray Nkonyeni Municipality are eligible for low cost housing subsidies based on income criteria. This includes about 30 494 of households who do not have access to disposable income and are therefore regarded as destitute. Approximately, 22 190 could be eligible for social housing and Finance Linked Individual Subsidy Programme (FLISP)/other While social housing caters for those in need of rental accommodation, FLISP requires an individual beneficiary to access mortgage bond from a financial institution or pay the balance of the value of the house themselves. It targets first-time homebuyers earning R3 501 to R15 000 per month.

The Municipality has an approved Housing Allocation Policy. Its objective is to facilitate a fair, equitable, transparent and inclusive selection of applicants leading to approval for all housing development projects aimed at creating sustainable human settlements. This is achieved through determining housing needs with accurate data for planning /budgetary purposes and meeting such needs (*housing needs register*), prioritize beneficiaries with special needs (*quota allocation*) , *housing for Military Veterans* and a uniform and consistent approach when allocation housing opportunities that promotes good governance (*housing allocation committee*).

However the actual need for housing opportunities within the Municipal area falling within the income bands R0 - R15 000 can only be determined accurately once the National Housing Need Register becomes fully operational within the Municipality and applicants registering their actual need. RNM Municipality is one of the Municipalities together with other Municipalities being piloted to roll out the Housing Needs Register . The implementation of this programme is subject to capacity support being provided by the Provincial Department of Human Settlements.



Table 53: Housing Needs/Backlogs

HOUSING NEED (stats SA) in 2011	INCOME BAND			ESTIMATED NUMBER
Residing in traditional dwellings for formal type dwelling	Below month	R3500.00	per	7086
Residing in back yard shack dwellers within informal settlements for formal type housing	Below month	R3500.00	per	1285
Residing in Informal settlements for formal type dwelling	Below month	R3500.00	per	2691
Residing in crowded conditions in formal housing	Below month	R3500.00	per	1567
Sub total (low income housing)				14 438
Social housing / flips (municipal workers/ govt / banks/ industry)	R3500.00 to R15000.00			16904
Estimated total				31 342

Municipal Housing Accreditation

The Municipality is accredited in terms of level 1 housing function (subsidy budget planning and allocation) with a three year Implementation Protocol Agreement which expired in the 2019/2020 financial year. However the Municipality is also performing the level 2 function which involves programme management and contracts administration. The Municipality was assessed in 2019 to also administer the Level 2 housing function. Feedback is awaited from the Provincial Department of Human Settlements in delegating this function to the Municipality and concluding an Implementation Protocol Agreement.

The aim of the Municipality is to have a project pipe line (five year plan) to roll out housing projects to meet its housing need and ensure the creation of integrated, sustainable human settlement development.

In terms of the Implementation Protocol agreement (level 1) concluded between the Provincial Department of Human Settlements and Ray Nkonyeni Municipality, the Municipality is implementing the following housing programmes:

- Rural housing programme,
- Greenfield housing programme,
- Informal settlement upgrading programme
- Finance linked individual subsidy programme,
- Housing rectification programme.

The Municipality is also required to get involved on the following housing programmes:

- Assistance of Military Veterans
- Emergency Assistance (Sukumasakhe / Disaster related housing)
- Social Housing (Rental Stock)



- Community Residential Units
- Catalytic Projects
- Rental Tribunal Information Office
- Prevention of Land Invasions & emergence of new informal settlements

The roll out of housing programmes/ project is largely, dependent on the provision of Human Settlement Grant funding from the Provincial Department of Human Settlement, performance of Implementing Agents, Contractors, developable land & bulk Infrastructure availability. Whilst developable raw land becomes available within the Urban Environment for Social Housing, Integrated Residential Development, and Finance Linked Institutional Housing Programme to enable integrated sustainable human settlement development, however one of the key challenges faced by the Ugu District Municipality is bulk water and sanitation constraints in new developments with funding challenges being the Municipal Infrastructure Grant funding.

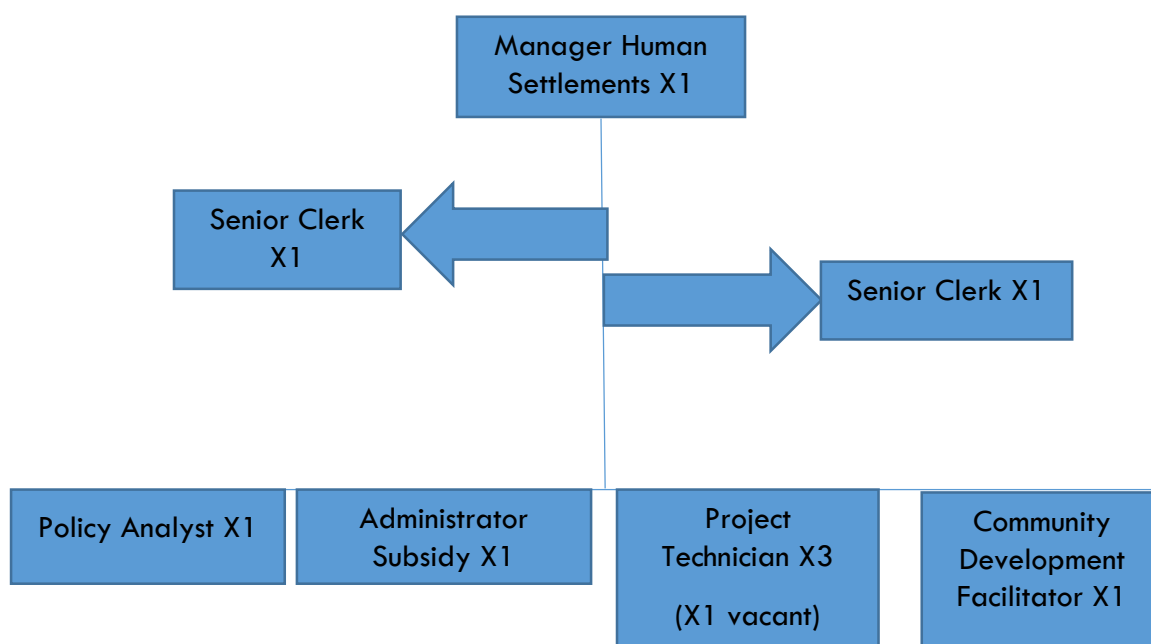
Arising from recent policy directives from the Provincial Department due to fiscal challenges all housing projects approved for implementation will be phased at 500 units at a time (per project)

The Implementation of this policy directive will result in increased number of projects and thus benefiting more contractors i.e. set targets from both National and Provincial Spheres with regard to Youth, Women and Military Veterans, emerging entrepreneurs would be relatively achieved.

Its terms of monitoring and evaluation of human settlement projects, the Municipality has monthly service delivery meetings with Implementing Agents and the meetings are also attended by officials from the PDoHS. Also monitoring takes place at the Technical Services meetings and IDP forum of the Municipality

Human Settlement Organogram

The Human Settlement Unit falls under the Technical Services Department. The Unit is headed by a manager and has a staff of seven (7) with one vacancy. The unit basically ensures that all human settlement projects within the municipality are undertaken to meet the legislation requirement which stipulates that all people have a right to shelter. Below is the adopted organogram of the Unit.





HOUSING PROVISION

Current - Rural Housing Programme



Current - e Informal Settlement Upgrading Programme conversion from informal dwellings to formal housing.



Low Income Housing Provision (High Density Option)_





Table 54: Number of Projects in terms of Different Programmes

PROGRAMMES	TOTAL NUMBER OF PROJECTS	STAGES
Rural Housing Programme	16 projects	6 at planning stage 10 at implementation stage
Informal Settlement Upgrading	3 projects	1 at planning stage 2 at implementation
Greenfield Housing Programme	3 projects	1 at planning stage 2 at implementation
Social Housing Programme	2 projects	2 at planning stage
Financed linked individual Subsidy Programme (FLIPS/Gap market)	2 projects	2 at concept/ feasibility stage
Rectification Programme	1 project	1 at implementation stage
Title Deed Restoraton Programme	5 project	comprising of 2546 sites
Integrated Residential Development Programme /other	8 land parcel	Identified land parcels for further development

Human Settlement Projects (Completed / Construction/Planning)

Table 55: Completed Human Settlements Projects

COMPLETED PROJECTS / WITH TITLE DEED RESTORATION								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	TARGETS TO ACHIEVE			STATUS
					SERVICE SITES	TOP STRUCTURES	TITLE DEED	
Rural Housing Programme	Vukuzitharhe Phase 1 (Nkulu & Mbeni)	33& 36	1	1116	0	1116	0	Completed with 1116 top structures built
Rural Housing Programme	Vukuzithanthe Phsae2 (Dlovinga)	3,33 &36	1	1000	0	1000	0	Completed with 1000 top structures built
Rural Housing Programme	KwaNyuswa Phase1- (Mahlabathini & Thonjeni)	34	1	1000	0	1000	0	Completed with 1000 top structures built
Informal Settlement Upgrade (urban)	Louisiana	15	1	697	0	0	564	<u>697 - sites serviced</u> <u>564- top structures built.</u> To initiate title deed process. Waiting finalisation of all land parcel transfer to the Municipality to enable land consolidation, and opening of township register.
Greenfield Housing Programme Urban)	Bhobhoi Phase 1	20	3	711	0	0	711	<u>711- sites serviced</u> <u>699- top structures built.</u> To initiate title deed process for 711sites.



								Addressing funding shortfall with PDOHS.
Greenfield Housing Programme	KwaNzimakwe (PHP) KwaLatshoda	1	7	1 813	0	0	600	1813 sites serviced. 600- top structures built. Remaining units cannot be built due to bulk sanitation challenges /road expansion (R61). To initiate title deed process (600 sites) Addressing funding shortfall with PDOHS.
TOTAL				3221	0	0	1875	Total sites serviced- 3221 Total top structures built- 4979

Table 56: Projects in construction Phase

PROJECTS IN THE CONSTRUCTION PHASE								
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	TARGETS TO ACHIEVE			STATUS
					SERVICE SITES	TOP STRUCTURE	TITLE DEED	
Informal settlement upgrading (urban)	Masinenge (urban)	3	5	882	882	882	882	<u>Provision of internal services ongoing. 129 top structures completed to date</u> . Previous contractor services terminated. PDOHS took over the project and appointed an Implementing Agent. Contractor is on site. Anticipated completion of the project is unknown at this stage
Rural Housing Programme	Mthimude Phase 1	36	1	1000	0	1000	0	<u>989 top structures completed.</u> 11 sites could not be built on due to various development challenges. The project is taken as complete and needs to be closed off
Rural Housing Programme	KwaMadlala	14	2	1000	0	1000	0	<u>871 top structures completed</u> Balance of 129 still to be completed. Anticipated project completion being March 2021
Rural Housing Programme	Oshabeni (Phase (1)	4 and 12	2	502	0	502	0	<u>502 top structures completed.</u> Closing off of project will be taken in the 2020/2021 financial year.
Rural Housing Programme	KwaNdwane (deep rural)	24 and portions of wards 3, 20, 21, 22, and 23	3	1 000	0	1000	0	<u>979 top structures completed.</u> Balance of 21 top structures still to be completed. Anticipated project completion, being financial year ending 2020.
Rural Housing Programme	KwaNdwane (Phase 2)	Portions of wards 20, 21, 22, and 23	3	500	0	500	0	<u>128 top structures completed.</u> Balance of 372 still to be completed. Anticipated project completion being financial year ending 2023.
Informal settlement upgrading	Gamalakhe (insitu-upgrade)	Portions of wards 25, 26, 27, and 28	4	500	0	500	0	Construction for Phase 1 approved (500 units) out of 2000 units. <u>127 units have been upgraded.</u> Balance of 373 still to be undertaken. Anticipated project completion (phase 1) being financial year ending 2023



Rural Housing Programme	KwaMavundla	17, 20, 25, 26 & 27	2, 3 & 4	1104	0	4	0	<u>1100- top structures built.</u> Balance of 4 top structures still to be undertaken. Anticipated project completion, being financial year ending 2020
Rural Housing Programme	KwaXolo (Phase 1)	7 and 9	6	1000	0	1000	0	<u>977 top structures completed.</u> 23 sites with challenges which is being addressed. Anticipated project completion is still to be determined.
Rural Housing Programme	KwaXolo Phase 2.	5, 8, and 32	6	1100	0	1100	0	Project size increased from 1000 to 1100 top structures. <u>1050 have already been built,</u> balance for completion is 50. Anticipated project completion being June 2020.
Rural Housing Programme	KwaNzimakwe Phase 1.	8, 10 and 11	7	500	0	500	0	<u>500 top structures completed.</u> Closing off the project is underway.
Rectification - Pre- 1994	Gamalakhe Rectification	26 and 28	4	273	0	273	0	<u>187 top structures have been rectified to date.</u> 86 units still to be refurbished. Anticipated project completion being September 2020
Mixed income housing	Merlewood			228	228	228	228	<u>137 top structures have been completed.</u> 37sites unbuildable. Bulk infrastructure challenges to some sites. Funding challenges (bulk water) being addressed between PDOHS, Ugu District Municipality. Anticipated completion being end of 2021 financial year
TOTAL				8489	1110	11389	1110	Sites serviced –279 Tops structures built- 7489 Rectification completed- 187

Table 57 : Projects in planning phase

PROJECTS IN THE PLANNING PHASE						
PROGRAMME	PROJECT	WARD	CLUSTER	PROJECT SIZE	PHASED APPROACH	STATUS
Informal settlement upgrading (urban)	Mkholombe	20	3	1000	Phase 1 (500 units) Phase 2 (500 units)	Mixed housing opportunities to be provided. Detailed studies being carried out. PDoHS has committed funding in 2019/2020 financial year to initiate planning.
Rural Housing Programme	KwaNyuswa Phase 2 - WoSiyane /Nkulu	34	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implement Agent Appointed. Tranche 1 application submitted to the PDoHS . Decision awaited.
Rural Housing Programme	KwaNyuswa Phase 2 - Bloese	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application submitted. Project will be phased (500 units) In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Mthimude Phase 2-	35	1	1000	Phase 1 (500 units)	Implementing Agent appointed.



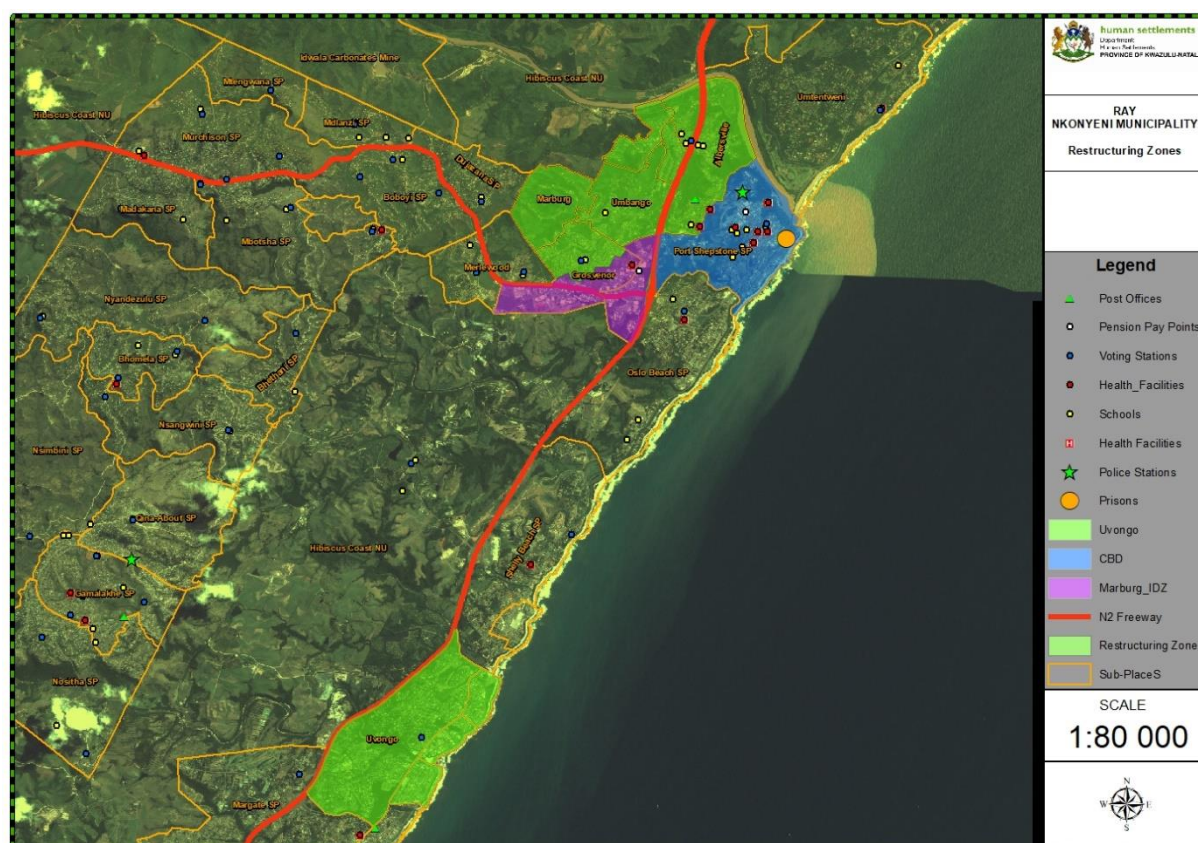
	Hlomendlini /Bhosiki				Phase 2 (500 units)	Tranche 1 application approved by PDoHS. Detailed studies being carried out by IA. Project will be phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Mthimude Phase 2- Shibe	35	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application approved by PDoHS. Detailed studies being carried out by IA. Project will be phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Vukuzithathe Phase 3- Ngawusheni / Bdlazi	30	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application approved. Detailed studies being carried out by IA. Project will be phased (500 units). In the 2019/2020 financial year the PDoHS has committed funding to undertake Tranche 1.
Rural Housing Programme	Vukuzithathe Phase 3- Bandlana /Shobashobane	30,31 and 33	1	1000	Phase 1 (500 units) Phase 2 (500 units)	Implementing Agent appointed. Tranche 1 application Package is currently being finalised for submission to the PDoHS. Project will be phased (500 units)
Greenfield housing programme	Merlewood middle income housing	17	2	187	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Still under planning.
Greenfield housing programme	Lot 7 Albersville	12	2	40	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Project is currently on hold due to land dispute between beneficiary community
Greenfield housing programme	Bhobhoi Phase 2			1098	n/a	Awaiting bulk infrastructure provision by Ugu District Municipality.. Insufficient funding to address bulk challenges.
IRDP- Mixed Income Housing	Marburg settlement (5344)	20	6	144	n/a	Provision of mixed income housing with 20 sites reserved for Military Veteran. Consultants busy with planning and project programme
FLIP/ individual subsidy programme	Disposal of Council owned Serviced Sites in various areas	12,17 and 18	6 & 7	350	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Municipal Council has appointed an Implementing to do detailed planning with project implementation.
IRDP Mixed income Housing	Portion 15 (of 17) Portion 16 (of 7) and the remainder of 7 of the farm Success no 7108	22	5	281	n/a	Provision of mixed income housing opportunities with different housing typologies and densities. Land was acquired by the PDoHS for the Municipality. Land is in ownership of the Municipality. Still to undertake



						detailed planning with project implementation.
Social and Rental Housing	Marburg (erven 4939 & 4941). Uvongo (erf 1675)	12,17,18 & 19	2	2000	Will follow a phased approach	Identified Area has been gazetted as restructuring zones. Provision of Social Housing (rental option). Erf 4939 .(500 units). Pre-feasibility study was carried., Site has bulk water provision challenges .Engagements are taking place with Ugu District Municipality.
TOTAL				11100		

Restructing Zones for Social Housing Programme

Approved Municipal Restructuring Zones (Marburg, Protea Park and Uvongo)





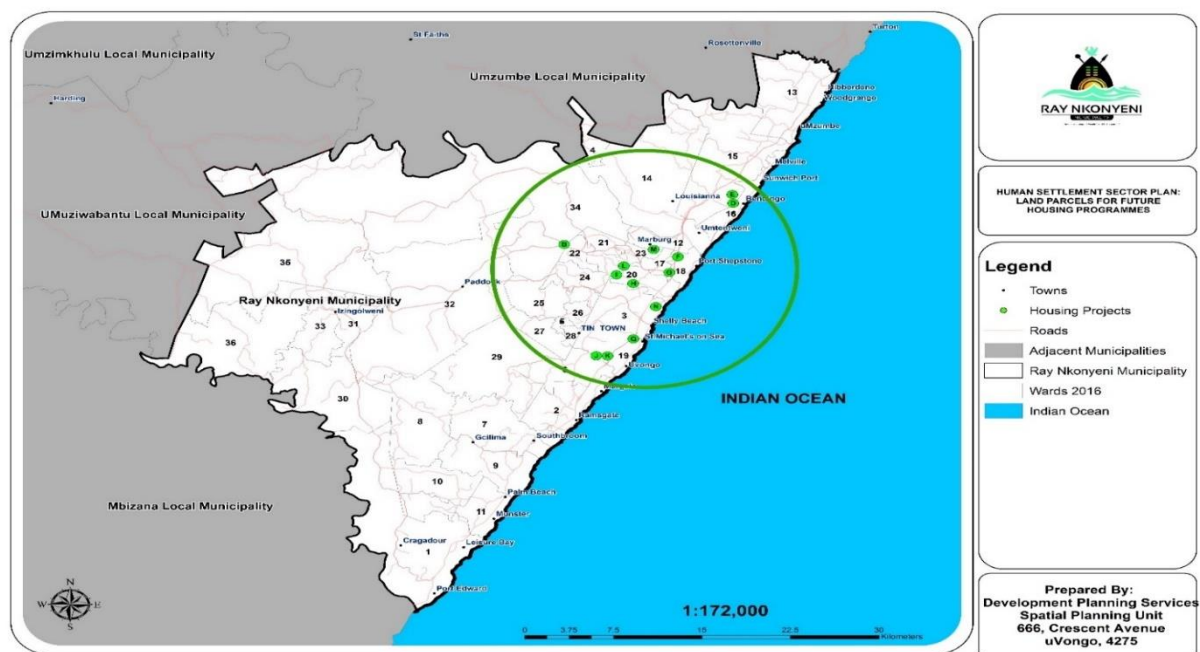
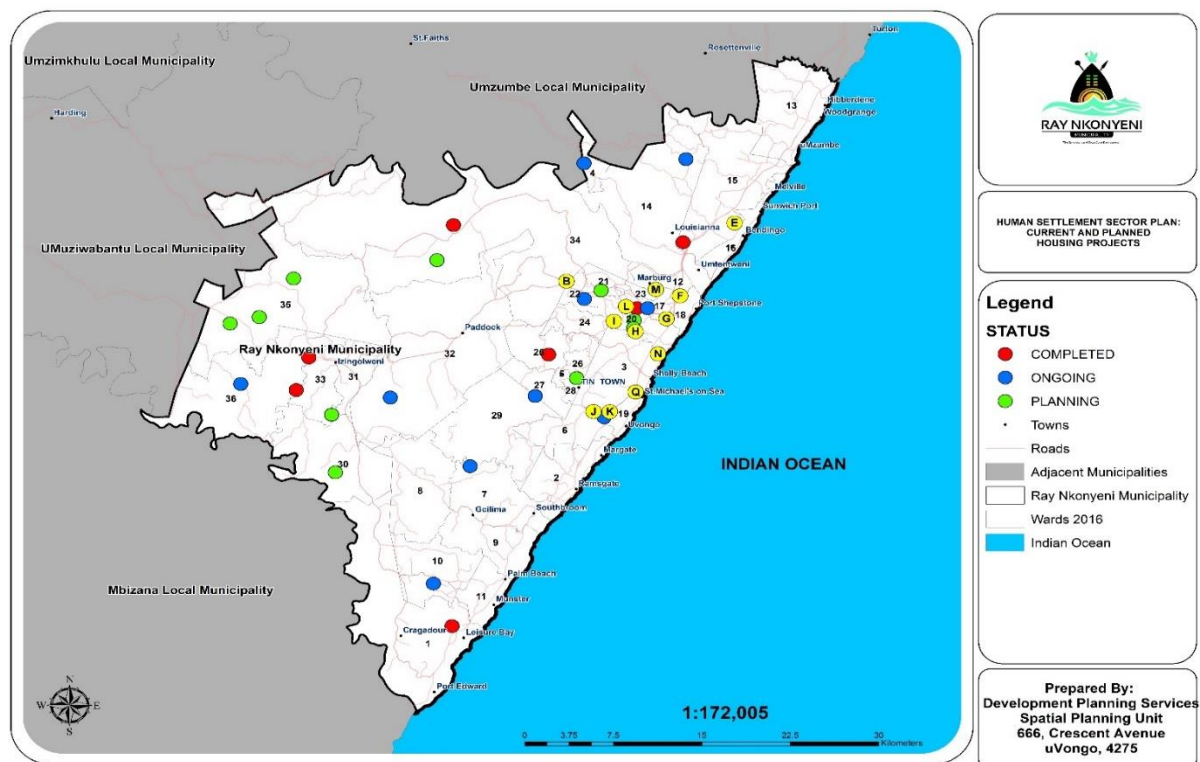


Marburg site 4939- Proposed Social Housing (Rental Option)- current challenge is bulk water and sanitation availability to enable development moving forward)





Map reflecting Current & Planned Housing Projects



Key Challenges

- Bulk Water and Sanitation for new Urban Development Projects within the Municipal area to cater for other housing programmes of Government.
- Reduced Human Settlement and Municipal Infrastructure Grant funding to address bulk infrastructure challenges and new housing developments.



4.5.5 Energy

Ray Nkonyeni Municipality holds an electricity distribution licence, number NER/D/KZ216 from NERSA. There has been a sectoral alignment between the municipality and Eskom as the National Service Provider was achieved. Eskom supplies electricity to most areas within the licensed distribution area which includes Port Shepstone, Albersville, Oslo Beach, Marburg Industrial, Mbango, Newtown and Mbango Valley areas, which is supplied by Ray Nkonyeni Municipality. Census data reveals that approximately 96% of the municipality's population has access to electricity. Other sources of energy include candles, paraffin, solar and gas.

KwaZulu Natal has thirty municipalities who are licensed electricity distributors, and Ray Nkonyeni Municipality is one of them. There are two Eskom bulk supply points at the Eskom Marburg switching station located in Marburg and the Eskom Port Shepstone 1X20MVA 132/11kV substation located in Albersville; with a total installed capacity of 25 MVA. It must be noted that Port Shepstone area is exceeding the maximum demand and an application is in process to increase notified maximum demand.

4.5.5.1 Electricity Infrastructure Master Plan

The Council Meeting of 27 March 2018, approved the Electricity Master **Plan (See attachment No. 16)** which details the implementation of the short-term to medium-term projects. The electricity infrastructure master plan contains the technical and financial findings of the status quo of the electricity network operations and condition assessment of the network infrastructure. The short to medium term master plan was the formulated. For the long-term, municipal SDF vs. environmental sensitive information – works involved and costs involved should take into consideration increase the municipal areas of supply, engagements to take place between all relevant stakeholders, including NERSA, Eskom and Ray Nkonyeni.

4.5.5.2 Overview of Electricity Network Infrastructure

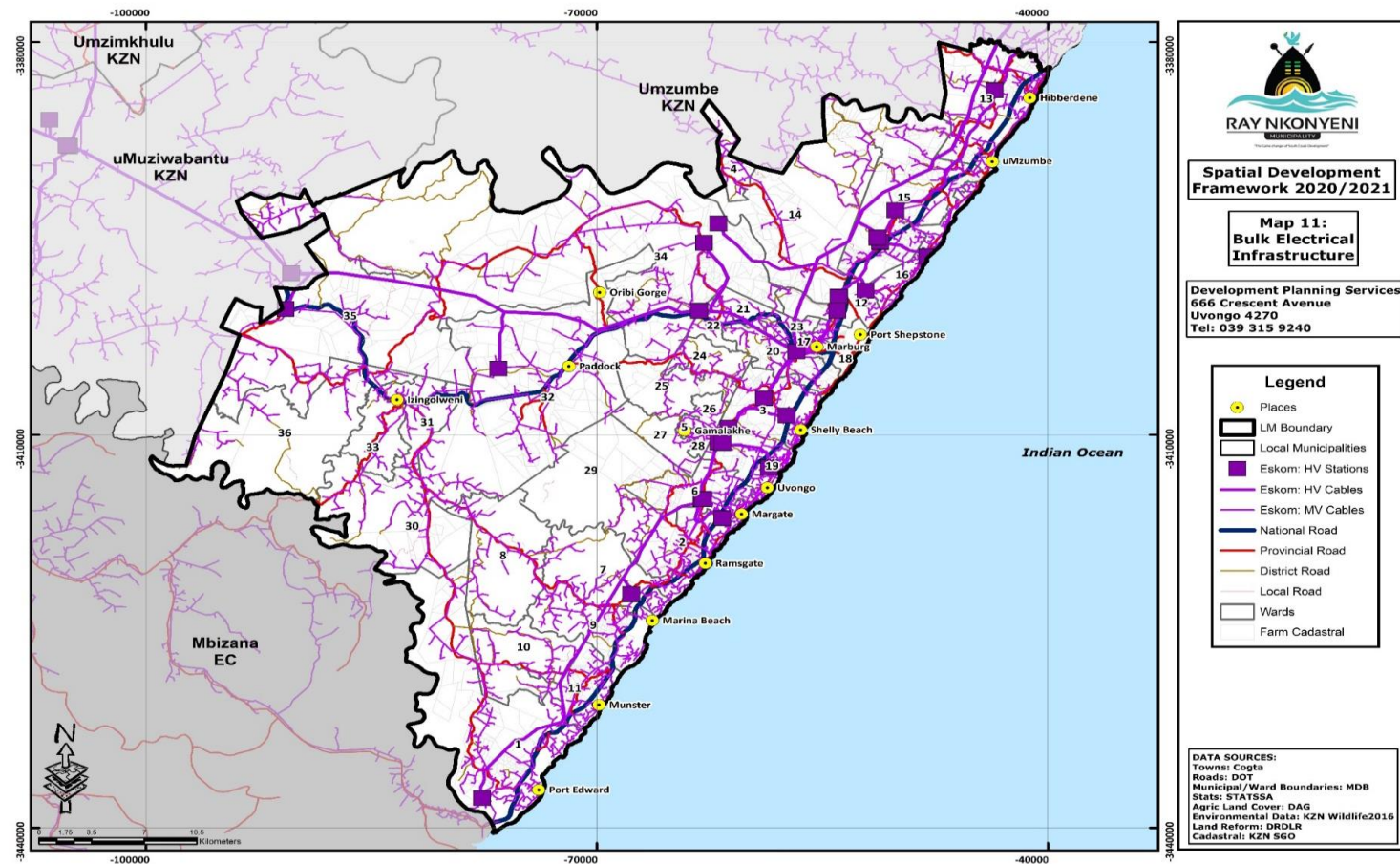
Ray Nkonyeni Local Municipality's electrical reticulation network consists of the following:

- Two major 11kV switch stations, that is, Reynolds and Memorial switch stations housing 11kV switchboard and switchgear equipment, power factor equipment, DC batteries and battery tripping units.
- Medium-voltage network is mainly underground cabling network
- 11kV built substations buildings
- 11kV/400V mini-substations
- Low-voltage cabling network
- Interconnector between Port Shepstone Substation and Marburg Switching Station is currently not operational, this link is required to provide redundancy on the distribution network and allow for back feeding.

4.5.5.3 Bulk Electric Infrastructure



Map 30: Bulk Infrastructure



Source: RNM GIS 2018



4.5.5.4 Electricity supply points to Ray Nkonyeni distribution network

Ray Nkonyeni Municipality purchases electricity in bulk from Eskom at supply voltage of 11kV, there are two Eskom supply points, Port Shepstone Substation and Marburg. The Port Shepstone electricity network is constrained, with future load requirements in Port Shepstone and the surrounding areas increasing rapidly as a result of new office and commercial developments that are taking place in the area. New customer applications and new developments within the Port Shepstone distribution areas require additional capacity up to 10MVA in the short to medium-term.

4.5.5.5 Short-term to Medium-term Projects Implementation

The electricity master plan identified projects for short-term to medium-term implementation, as follows:

- i. **Notified maximum demand increase at the Port Shepstone Substation**
The project objectives and benefits of increasing the notified maximum demand at the Port Shepstone substation is to eliminate Eskom penalties due to exceedance of the actual maximum demand. In the medium-term, to supply electricity to new developments that are underway in Port Shepstone.
- ii. **Memorial and Reynolds Switching Stations Refurbishments**
The project objective is to refurbish the ageing electricity infrastructure assets, the main switching stations.
- iii. **Re-instatement of Power Factor Correction on network**
The objective of this project is to design and re-instate the power factor correction equipment, to introduce capacitance in order to correct the power factor to be within acceptable range of 0,96.
- iv. **Electricity Tariff Re-design**
The aims of this project will be to optimize the electricity tariff structure for the municipality to be aligned to Nersa benchmark tariffs.
- v. **Electricity Meters audit and Land-Use Audit**
The project objectives will be to decrease non-technical system losses and result in increased revenue for the municipality.
- vi. **Memorial and Reynolds Switch-board Refurbishment**
The project objectives is the replacement of old, obsolete switchboard at Memorial and Reynolds switching stations with new technology switchboards and switchgear.
- vii. **Establish 11kV Interconnector between Marburg Switching Station and Port Shepstone Substation and Replacement**
The project objectives is to link the two points of supply on 11kV side, this will create redundancy in supply and thus increase reliability of electricity supply for municipal customers. The interconnector can also allow for switching of loads between the two substations.
- viii. **Billing Audit**
The objectives of this project will be to ensure that each consumer is classified by consumer type and the correct electricity tariff can be applied, thus likely to result in increased revenue.
- ix. **Electricity network infrastructure replacement**
The objectives of this project is to replace old, ageing network infrastructure with new equipment, to ensure reliability of supply.



- x. Centralized Network Control Centre
The objectives of this project is to establish a centralized control room for electrical network control and monitoring.
- xi. Electrification Projects Implementation
The projects objective is to eliminate the electrification backlog within the municipal wards.

4.5.5.6 Operations and Electricity Infrastructure Routine/Preventative Maintenance Plan

4.5.5.7 Electricity Plan and Backlog

The municipality has a municipal wide electricity master plan which aims at eliminating the electrification backlog. Some rural communities still have an infrastructure backlog and there is an Infills backlog. The municipality has rolled out a plan to ensure that all wards with backlog infills are attended to. There has been a budget allocated for projects implementation from pre-engineering up to project construction. There is a backlog of 6900 connections in all wards with an estimated cost R 118 626 100.00.

Below is a list of wards and an indication of projects under planning and design and those under construction. Electrification is funded via the Integrated National Electrification Programme (INEP) Grant Funding from the National Department of Energy. The grant funding allocation for 2017/18 is R14 million.

Pre-marketing and site investigations were done and it was identified that there is a total backlog of 8 772 Infills and new electricity connections for households within the Ray Nkonyeni Municipality wards. Of these, 754 connections are on constrained networks and depend on Eskom network upgrades and strengthening projects, and these have been handed over to Eskom for implementation. Designs have been completed and are approved for a total of 2 355 connections, and projects are ready for construction. Electrification projects are under construction for 1728 connections. Below is a list of wards with the total number of connections, and it must be noted that RNM has electrification backlogs in rural areas only



Table 58: Electrification Projects and backlog

WARD NO.		AREAS	TOTAL NO. CONNECTIONS	PROJECT STATUS
3		Masinenge Phase 1	354	Under construction by Eskom
3		Masinenge Phase 2	535	To be implemented by Eskom
4		Oshabeni	293	Design stage
5		KwaNzimakwe	267	Ready for construction
7		Gcilima	144	Ready for construction
8		Enkuthameni, Emphelele, Ibhazabhaza. Okhalweni, Bulalinja	442	Ready for construction
9		Various areas	175	Ready for construction
10		Braemar, Nompondo, Enkulu, Woza, Enkomeni, Dozameli	210	Ready for construction
11		Califonia , Ebuthongweni , Umgangathi, Thundeza, Ithongasi	188	Ready for construction
12		Various areas	28	Design stage
13		Stickfarm, Fairview	257	Ready for construction
14		KwaSilwane	250	Ready for construction
14		Denver, KwaMadlala	321	Ready for construction
15		Various areas (Chibini)	100	Ready for construction
		Louisiana	300	S1 connections by Eskom
17		Merlewood Phase	359	On hold – houses not ready
20		Bhobhoyi	176	Network constrained
21		Mdlanzi	113	Network constrained



22		Murchison	51	Network constrained
23		Dujazana	351	Network constrained
24		Bhomela	63	Network constrained
25		Qinabout , Madwaleni , Goso , Mavundla, Msikaba, Mveveni, Nsangwini, Nkulu, KwaXaba Okhalweni	700	Under construction
26		Ethangeni Ezitendeni Mthini Sideni	155	Under construction
27		Mqolombeni Mbhoshongweni College KwaXaba Nositha Sgedleni	280	Under construction
28		Tintown Besters	16	Planning stage
29		Mlonde, Bhashise, Mthombothi, Thelawayeka, Dingeton , Sunduza	244	Under construction
30		Mdlazii, Bandlane, Mdlazi, Goqosi Shoba, Dlovinga	551	Design stage
31		Mshweshwe, Izingolweni, Mbeni, Magidigidi	440	Design stage
32		Shibase Manzamlhlophe Kwezi Phezulu Shobeni Sgundaneni Phansi Mgawulane Mthini Kheni	395	Design stage
33		Mbeni, Nkulu, KwaShoba, Shobashobane	276	Design stage
34		kwaNyuswa	131	Design stage
35		Shibe, Ndunu, Godloza, Celebane, Thuvukezi, Maromeni, Nteleni, Hlomendlini	312	Design stage
36		Mnikwe, Mlozane, Mthavuna, Phosheni, Mahlubini	295	Design stage
		TOTAL NO. CONNECTIONS	8 772	

Source: RNM Electricity unit



4.5.5.8 Alternative Energy

4.5.6 Transportation Infrastructure

An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition state, the quality of district and local roads is poor. This is mainly because these roads are gravel which require regular maintenance and upgrading. During rainy seasons, these roads are particularly bad and hamper access to settlements.

Ray Nkonyeni Municipality only maintains the existing road networks in terms of potholes, black top and re-gravelling. It is not the mandate of the municipality to build roads from scratch, hence there is no Road Maintenance Plan. It must be noted that the road work maintenance covered by the municipality is based on complaints received from communities, and depend on the availability of budget. Other than complaints received from communities, the municipality does have a road work plan/ operational and maintenance plan as shown in the SDBIP.

As a requirement to have the Local Integrated Transport Plan, the municipality is currently engaging with the Department of Transport and sourcing funds to carry out the project. Probably in the 2020/2021 financial year, the municipality will be in a position to roll out the first phase of the project as it requires huge funding.

The municipality is fairly covered with sound tarred and physical infrastructure and as areas utmost services are easily accessible to all residents albeit at varying scales with rural residents struggling to some extent. The point is, compared to other rural areas in the region and the other sister municipalities of Ugu, accessibility of RNM rural population fairs well. However, the maintenance of such infrastructure is what poses most challenges. There is also a serious problem of aging infrastructure especially on roads manifests itself in too much potholes. However, effective programmes to ensure that all roads are in safe driving conditions and are carried out appear in the SDBIP.

4.5.6.1 National Corridor: N2 and R61

The N2 is the primary north-south linkage and it links Port Shepstone in the South with Durban in the North. R61 is the provincial routes that link Ray Nkonyeni with external significant nodes such as Kokstad, Port Edward and Mount Fletcher. Secondary to the N2, this route serve as a main link between the Eastern Cape Province and KwaZulu-Natal Province.

4.5.6.2 Primary Tourism Corridor: R102 and R602

The R602 is termed the beach road (better known as—Marine Drive) and it runs in the north-south direction along the coast, linking the various coastal towns.

4.5.6.3 Secondary Corridors

The Municipality is characterised by poor corridor development linking urban and rural settlements. This may be due to the lack of economic activities located along these routes. The secondary corridors are P69, P732, P482, P344, D686, D0165, P0860, P0262, P0354, P0284, P0057 and P0058. A corridor serving areas of high poverty levels with good economic development potential within one or two sectors



4.5.6.4 Tertiary Corridors

These corridors are mainly envisaged for movement purposes with direct access to properties permitted and high pedestrianized activity.

The following roads have been identified as the tertiary corridors:

- Road from Hibberdene to Msinsini
- Road from St Michaels to Gamalakhe
- A route that runs from Nkuswana-(D0920) via Thonjeni-Nkulu (D1085)-N2-Sunshine to Nqabeni
- A route that runs from Maguntia to Maryland; and
- Road from Margate to Gamalakhe.

4.5.6.4 Arterial Roads

There are quite a number of arterial roads within the municipality that feed the main roads and mostly are predominately surfaced (black-top). To mention just a few:

- From Port Shepstone to Margate along the sea is the Marine Drive road and it also runs parallel the R61 which runs down to Port Edward.

A number of arterial roads link the coast to the hinterlands as well. Three arterial roads join the R102 before Port Shepstone, and the rest join the R61 and Marine Drive after Port Shepstone respectively. There are no arterial roads that join the N2. Following is a summary of main arterial roads that link the hinterland and the coastal towns.

- The Station Road cuts through the hilly inland through Umzumbe, and join the R102 above the Umzumbe River
- The Rathman Drive road runs from hilly inland and joins the R102 at Ntwentweni.
- -Stephen Road cuts through KwaMadlala and joins R102 just before Mayville
- The Izotsha road runs from St Michaels through the Izotsha corridor up through KwaNdwane and further inland
- P200 road offramps from the N2 at Marburg past Gamalakhe into South Broom. This road is also a link to a number of farms dotted along that area
- Louis Botha Avenue road off ramps from the R61 at Mpenjati through Kwa Nzimakwe tribal authority joining D869 further up
- D 869 runs from Port Edward to Izingolweni

Roads along the Coast belt are in a good state as compared to those in the interior, however, the biggest challenge is potholes, but they are currently being addressed. The rail road is dysfunctional. Modes of transport consist of public mini taxis, which are very dominant and highly used by the public; there are also buses which ferry commuters from their residential areas which are predominantly in rural area to towns where many are employed. Another mode of transport is the small cabs which operate between towns and the urban edge areas.

Most roads are in a deteriorating state both provincial and local roads, this can be contributed to lifespan of the existing road networks and somehow can be contributed to the lack of regular maintenance of the road network and the original substandard designs of these roads especially access roads.



Ray Nkonyeni Municipality talks to the SPLUMA principle of efficiency. There is optimization of the existing infrastructure resources. Inland is a proposed activity route that will run parallel the N2 from inland Hibberdene, cuts across the hinterland and join the connector route from Port Edward to Ezingqoleni

Most roads in the interior are gravel and make 1200km. There are very few tarred roads there. The gravel roads are timeously maintained by being graded though it has proven very costly for the Municipality. It should be noted that the Lower South Coast is prone to flooding, so during the rainy seasons most low level bridges are washed away and big pot holes appear on the roads, and this is quite expensive to repair.

All Tarred roads make 750km altogether throughout the municipality, and most of these roads are found along the Coastal belt. New roads and bridges in rural areas need to be constructed and those that already exist need maintenance as most of them are in undesirable conditions and some are inaccessible during rainy days.

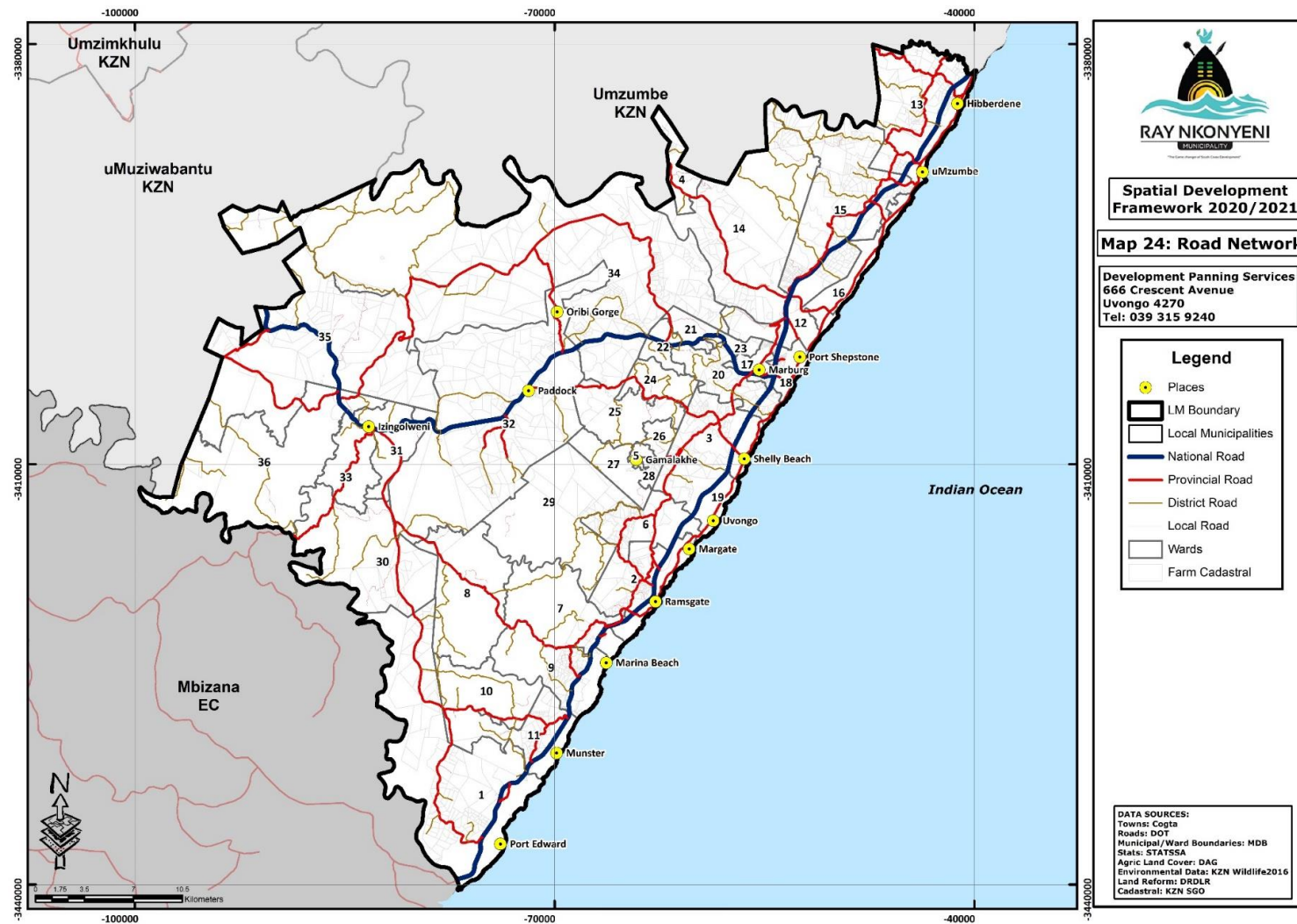
4.5.7 Transport Infrastructure

- i. **Air infrastructure:** the municipality has a vibrant air infrastructure situated at Margate. It was reopened in November 2013 and is fully operational. It currently is home to two airline companies, flying between the municipality, OR Tambo and Plattenberbay.
- ii. **Rail way Line infrastructure:** The railway infrastructure linking RNM to Umdoni is non-functional due to its dilapidated state.. Also the Banana express rail linking the southern part with Ezingqoleni town is dysfunctional as well. In conclusion, the railway infrastructure has aged and being the second major transportation infrastructure to road infrastructure, talks between the municipality and PRASSA will commence to pave ways on how best to address the issue. The map below show the existing road infrastrure within the municipality.
- iii. **lii. Road infrastructure:** An extensive road network exists in Ray Nkonyeni, providing a large number of households with access to road transport. While the national and provincial roads are in a generally good condition state, the quality of district and local roads is poor.

On the following page is a map illustrating the types of existing infrastructure within the municipality.



Map 34: Existing Road Infrastructure





4.8 How the municipality has responded to Goal 4 of the PDGP 2035

Goal 4 of the PGDS 2035 talks to strategic infrastructure with reference to:

- Development of airports and seaports
- Development of road and rail networks
- Develop ICT Infrastructure
- Ensure availability and sustainability of water and sanitation for all
- Ensure access to affordable, reliable, sustainable and modern energy for all
- Enhance KZN Waste management capacity

Below is how RNM has responded to the above goal:

i. Development of airports and seaports

In terms of developing seaports, the municipality is looking at Hiberdene as potential future harbour to create an environment conducive for the development of small craft harbour. The municipality being the second largest tourist attraction in the province after Ethekeeni, it needs to promote a seaport that is desirable for international cruise liners, as in Durban. Margate airport is in full swing with a number of scheduled domestic connection flights. The airport opened its doors in November 2013 and has seen more connecting routes as far as Plattenbergbay. The municipality's road infrastructure is sound though the rail infrastructure has aged and closed down. Future intervention talks on this issue are at hand.

ii. Development of road and rail networks

The increasing connectivity by road, rail, airport and harbours is fundamental to the realization of provincial industrial hubs, agri parks, new urban spaces etc. There is a need for the municipality to develop multi modal facilities that cater for fast moving consumer goods as well as bulk minerals and lighter manufactured goods. In the case of RNM, road has provided job opportunities through its EPWP programme, this should continue to provide at least temporary employment for youth and female headed households.

iii. Development of ICT Infrastructure

The municipality has developed an ICT Infrastructure for sufficient information and communications for the growth and development of its citizens. However, it must be mentioned the broad band coverage is limited to rural areas.

The municipality needs to expand the number of public wi-fi hotspots and expand the community access to broadband services.

iv. sustainability of water and sanitation for all

Ray Nkonyeni has more than 95% of households with clean water and sanitation. In as much as there are backlogs in some areas in the hinterland, the district as the entity for both has plans in place on how to address the issue. It still needs to develop policies that will talk to these and also develop programmes for water resources as mentioned in the 2035 strategy. Ray Nkonyeni still



needs to develop strategies that talk to adaptation and response to climate change. According to the PGDP, KZN is able to effectively anticipate, respond and mitigate the effects of climate change. There is a need to assess the mainstreaming of climate change adaptations strategies in local planning, such as the IDP reporting and Sector Plans, so the strategy mentions. These relate to inter alia and strategies need to address both the immediate and longer term threats to the health and well-being of communities.

v. Access to affordable, reliable, sustainable and modern energy

According the PGDP 2035, there must be sufficient electricity available for the growth and development needs of KZN. Ray Nkonyeni Municipality has 85% of households with electricity supply. The recently adopted electrification Master Plan details how the backlogs will be addressed. The municipality has a light industry and so there are no harmful emissions.

vi. Waste management capacity

Ray Nkonyeni Municipality has an updated Disaster Management plan and the centers are fully functional. There is a capacitated dedicated disaster management team. The indicators listed under this sectoin in the strategy, the municipality fully adheres to it. (*see disaster management sector plan attachment*)

Table 59 : Bsic service delivery and infrastructure SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none"> • The municipal area is generally covered with well-developed bulk infrastructure and networks • Relative high levels of service provision with relatively low backlogs to RDP standards. • Partnering with Government in enhancing EPWP and CWP • The implementation of the IWMP 	<ul style="list-style-type: none"> • Staff and skills shortages in key positions. • Overstretched technical services / PMU • An ageing fleet of vehicles • An ageing infrastructure • Absence of a multi-wide building maintenance plan in line with the asset register • No transport plan and roads maintenance plan • Backlog is electricity provision in some areas (peripheries).
Opportunities	Threats



- | | |
|---|--|
| <ul style="list-style-type: none"> • The existence of a number of sector plans. • Ensuring there lease of public land for low and affordable housing. • Reviving the Airport through LED projects. • Proximity to the N2 corridor. • Vast undeveloped land in urban corridor as well as rural hinterland | <ul style="list-style-type: none"> • The need to reduce electricity revenue losses due to technical losses, illegal connections, tampering leading to unbilled usage. • Backlog in accessibility to roads by the general public in the rural areas of the municipality. • Storm water backlog caused by densities not considered original infrastructure layout • Most roads are in a deteriorating state, provincial and local • Illegal waste dumping |
|---|--|



Port Shepstone Provincial Hospital

4.6 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

4.6.1 Capital Funding and Expenditure to address Service Delivery

The municipality has a 3-year synopsis of funds received as shown in the table below. Below the table are explanatory notes.

Table 60 : MBRR A5-Budgeted Capital Expenditure by vote, standard classification and funding source

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Capital Expenditure - Functional											
<i>Municipal governance and administration</i>		4,772,767	1,490,248	(1,134,175)	1,183,478	2,757,471	2,757,471	200,564	514,990	1,274,999	1,274,999
Executive and council		3,939,216	1,084,231	(2,029,823)	95,652	1,660,869	1,660,869	20,879			
Finance and administration		833,551	406,017	895,648	1,087,826	1,096,602	1,096,602	179,685	514,990	1,274,999	1,274,999
Internal audit											
<i>Community and public safety</i>		44,051,471	16,703,653	28,230,264	15,895,882	19,333,941	19,333,941	17,038,704	6,660,597	2,549,998	850,003
Community and social services		44,051,471	16,484,042	20,816,664	14,018,491	17,464,376	17,464,376	16,909,979	5,444,989	2,549,998	850,003
Sport and recreation					130,435	130,435	130,435	46,993	450,000		
Public safety			206,136		1,739,130	1,739,130	1,739,130	81,732	765,608		
Housing			13,475	7,413,600	7,826						
Health											
<i>Economic and environmental services</i>		47,886,290	54,695,181	16,937,034	79,281,856	56,791,183	56,791,183	31,046,038	74,289,441	81,997,949	37,654,991
Planning and development		47,886,290	21,490,392	(10,259,084)	38,468,157	20,722,025	20,722,025	7,457,354	34,586,943	38,392,959	14,620,012
Road transport			33,080,499	27,196,118	40,118,047	35,373,506	35,373,506	23,423,909	39,002,498	42,924,992	22,354,981
Environmental protection			124,290		695,652	695,652	695,652	164,775	700,000	679,998	679,998
<i>Trading services</i>		-	5,928,825	(12,733,417)	31,272,174	27,339,928	27,339,928	8,824,644	17,105,004	9,180,002	10,879,988
Energy sources			5,094,331	4,226,064	28,856,957	24,596,088	24,596,088	8,080,623	14,709,999	7,905,003	9,604,989
Water management											
Waste water management											
Waste management			834,494	(16,959,481)	2,415,217	2,743,840	2,743,840	744,021	2,395,005	1,274,999	1,274,999
<i>Other</i>			19,534		7,160,870	4,204,348	4,204,348		60,005		
Total Capital Expenditure - Functional	3	96,710,528	78,837,441	31,299,706	134,794,260	110,426,871	110,426,871	57,109,950	98,630,037	95,002,948	50,659,981
Funded by											
National Government		52,659,057	45,219,969	50,906,402	88,013,045	76,274,779	76,274,779	52,499,145	68,096,030	74,204,984	38,504,995
Provincial Government		44,051,471		9,692,800	6,434,782	2,956,522	2,956,522	397,449	3,475,003		
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)									8,940,882	9,917,974	
Transfers recognised - capital	4	96,710,528	45,219,969	60,599,202	94,447,827	79,231,301	79,231,301	52,896,594	80,511,915	84,122,958	38,504,995
Borrowing	6				6,086,956	6,086,957	6,086,957		3,000,000	424,996	424,982
Internally generated funds				(18,534,483)	34,259,477	23,482,446	23,482,446	4,213,356	9,715,017	7,479,989	8,754,999
Total Capital Funding	7	96,710,528	45,219,969	42,064,719	134,794,260	108,800,704	108,800,704	57,109,950	93,226,932	92,027,943	47,684,976

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.



The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Single-year capital expenditure has been appropriated at R98.63 million for the 2020/21 financial year.

Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from capital and provincial grants and transfers and internally generated funds.

4.6.2 Capital Projects

All projects identified for the priority year have been identified, have funding, the source identified and mentions the progress of the project.

These projects fall under the Technical Services Department.

Table 61 : List of capital projects

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA36 Detailed Capital Budget (projects)

CAPITAL ASSET	2020/21	2021/22	2022/23
Marburg Motor Mechanic Workshop	8,940,882.00	9,917,974.00	-
Roads:NOSITHA MAIN ROAD	5,354,998.00	-	-
Roads:ROAD REHABILITATION PHASE 7 (GRAVEL)	5,099,996.00	-	-
Road Reseals	4,250,004.00	6,800,002.00	6,800,002.00
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (WARD 18)	4,250,004.00	4,250,004.00	4,250,004.00
Electrification Projects (ward 30 31 33 34 35 & 36)	4,250,004.00	-	-
Izotsha Memorial Park Crematorium	3,400,001.00	-	-
Meter replacement DBSA funded	3,000,000.00	2,000,000.00	2,000,000.00
ROADS URBAN STORMWATER	2,550,004.00	1,274,999.00	1,274,999.00
LOUISIANA RING ROAD (WARD 15)	2,549,998.00	5,949,999.00	850,003.00
Roads:TARRING OF JESUS ROAD	2,549,998.00	-	-
Electrification ward 13	2,549,998.00	-	-



Halls:WARD 34 COMMUNITY HALL	1,699,995.00	-	-
Halls:COMMUNITY HALL WARD 33	1,699,995.00	-	-
Outdoor Facilities:Upgrade of Vusushaba Sportsfield ward 4	1,699,995.00	-	-
Roads:SMITH STREET	1,699,995.00	-	-
Road Structures:KAWUSENI PEDESTRIAN BRIDGE (SHIBE TO MVOLOMI SCHOOL)	1,699,995.00	-	-
BULK ELECTRICAL SUPPLY TO NEW DEVELOPMENTS (WITHIN DISTRIBUT	1,274,999.00	1,274,999.00	1,274,999.00
2019 RATIONALISATION OF OFFICE SPACE (P/SHEPSTONE & UVONGO)	1,274,999.00	424,996.00	-
Mbeni retention deposit	1,274,999.00	-	-
Halls:Ward 36 Nkulu community hall	1,274,999.00	-	-
Halls:WARD 5 COMMUNITY HALL	1,274,999.00	-	-
Halls:DUMEZULU COMMUNITY HALL Phase 2	1,274,999.00	-	-
Road Structures:ESIDLIDLINI PEDESTRIAN BRIDGE (DLOVINGA)	1,274,999.00	-	-
Outdoor Facilities:OUTDOOR GYM FACILITIES	1,201,046.00	-	-
Road Structures:MBHECUKA VEHICULAR BRIDGE WARD 29	1,190,002.00	-	-
Roads:NGQUMBELA ROAD AND CAUSEWAY WARD 7	1,190,002.00	-	-
Road Structures:NTSHOMELA PEDESTRIAN BRIDGE (SGODANENI)	1,190,002.00	-	-
Road Structures:MAQOBO PEDESTRIAN BRIDGE (LINKS WARDS 8 & 9)	1,190,002.00	-	-
Road Structures:MSIKABA VEHICULAR (WARD 25)	1,019,997.00	-	-
Roads:CONCRETING OF CHIBINI ROAD (WARD 26)	1,019,997.00	-	-
Electricity Meter Replacement	1,000,000.00	-	-
REHAB OF COLLEGE ROAD SOUTHBRROM WARD 2	850,003.00	1,699,995.00	-
Rural Stormwater (IUDG)	850,003.00	1,274,999.00	1,699,995.00
WASTE MANAGEMENT DEPOT ABLUTION FACILITIES	850,003.00	1,274,999.00	1,274,999.00
Road Structures:MBILI PEDESTRIAN BRIDGE WARD 22	850,003.00	-	-
Road Structures:BANANA BEACH PEDESTRIAN (WARD 16)	850,003.00	-	-
Road Structures:BAR TO NGWEMABALA PEDESTRIAN BRIDGE WARD 24	850,003.00	-	-
Road Structures:MNGANKA VEHICULAR BRIDGE WARD 20	850,003.00	-	-
Road Structures:MCADODO TO THUNDEZA WALKWAY/PEDESTRIAN BRIDGE WARD 11	850,003.00	-	-
Dick King Parking Fencing (internal funded)	850,003.00	-	-
Road Structures:KWASITHOLE PEDESTRIAN BRIDGE (WARD 21)	850,003.00	-	-



Road Structures: MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14	850,003.00	-	-
ENERGY MINI SUB STATION REPLACEMENT	850,000.00	850,003.00	850,003.00
ENERGY INTER SWITCHES REPLACEMENT	850,000.00	850,003.00	850,003.00
STREET CLEANING TOOLS AND MACHINERY	800,000.00	-	-
BEACH FACILITIES REFURBISHMENT	700,000.00	679,998.00	679,998.00
NOSITHA PEDESTRIAN BRIDGE REFURBISHMENT WARD 27	679,998.00	-	-
Electrification ward 8 (remedial work)	510,004.00	-	-
Machinery and Equipment: REFUSE SKIPS	500,000.00	-	-
BEACH MANAGEMENT - Machinery and Equipment	450,000.00	-	-
Control Room Software	436,503.00	-	-
Margate hall reconstruction ward 2	425,000.00	-	-
OFFICE WATER TANKS	424,999.00	1,274,999.00	1,274,999.00
Ngwabe pedestrian bridge ward 20	424,996.00	1,274,999.00	-
MLONGWANA COMBO COURT REFURBISHMENT WARD 5	424,996.00	-	-
Road Structures: MAZUBANE/DIKWE PEDESTRIAN BRIDGE WARD 20	424,996.00	-	-
Road Structures: QASHELA TO MUNGA PEDESTRIAN BRIDGE WARD 33	424,996.00	-	-
Road Structures: MAZUBANE PEDESTRIAN BRIDGE (WARD 21)	424,996.00	-	-
WARD 5 WALKWAYS	424,996.00	-	-
WARD 28 WALKWAYS AND GUARDRAILS (THEMBA NGUBELANGA AND FEZIL)	424,996.00	-	-
Electrification ward 21	339,999.00	-	-
Merlewood streetlights	339,999.00	-	-
TOWN PLANNING COMPUTER ASSETS	300,003.00	-	-
Machinery and Equipment (100)	300,000.00	-	-
MUNICIPAL PARKING	299,998.00	-	-
Public Open Space: COMMUNITY PARK (WHITE CITY PROTEA PARK)	255,002.00	-	-
Halls: Bhosiki Hall Phase 2 - Parking and stormwater ward 36	255,002.00	-	-
Road Structures: MJWENI PEDESTRIAN BRIDGE (WARD 8)	255,002.00	-	-
PEDESTRIAN BRIDGE EXTENSION 3 WARD 6	255,002.00	-	-
WARD 12 PEDESTRIAN BRIDGE (OVER SUGER MILL ROAD)	255,002.00	-	-
Drainage Collection: FEZILE MKHWANAZI STORMWATER	255,002.00	-	-



ENERGY MINI SUB HOUSING COVERS	255,000.00	255,002.00	255,002.00
GENERATOR	242,498.00	-	-
Drainage Collection:ACACIA ROAD STORMWATER -SEAPARK	170,005.00	-	-
Machinery and Tools	90,002.00	-	-
Halls:COMMUNITY HALL WARD 30	84,997.00	-	-
Halls:COMMUNITY HALL WARD 9	84,997.00	-	-
STREET CLEANSING COMPUTER ASSETS	80,000.00	-	-
Navigational Radios	60,005.00	-	-
CONCRETE BINS	50,000.00	-	-
Refurbishment of Drop off centre/ recycling bins	50,000.00	-	-
ASSET MANAGEMENT COPMUTER ASSETS	49,995.00	-	-
Computer Equipment	45,000.00	-	-
SOLID WASTE TOOLS AND MACHINERY	40,000.00	-	-
EXPENDITURE COMPUTER ASSETS	39,996.00	-	-
GENERATOR (380)	29,098.00	-	-
LAPTOP AND PRINTER	25,002.00	-	-
ROADS ROAD REHABILITATION PHASE 7	-	7,650,005.00	8,499,997.00
Energy Efficiency DSM	-	4,250,000.00	5,950,000.00
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR	-	3,476,000.00	3,476,000.00
2019 RATIONALISATION OF OFFICE SPACE (UVONGO)	-	2,549,998.00	4,250,004.00
DUMEZULU COMMUNITY HALL Phase 2	-	2,549,998.00	850,003.00
SPORTSFIELD MBENI (WARD 31)	-	2,549,998.00	595,001.00
Ward 36 Nkulu community hall (MIG Funding)	-	2,549,998.00	424,996.00
Upgrade of Vusushaba Sportsfield ward 4	-	2,549,998.00	424,996.00
MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14	-	2,549,998.00	424,996.00
MCADODO TO THUNDEZA WALKWAY/PEDESTRIAN BRIDGE WARD 11	-	2,125,002.00	850,003.00
ROADS NGCAWUSHENI PEDESTRIAN BRIDGE	-	2,125,002.00	850,003.00
MBILI PEDESTRIAN BRIDGE WARD 22	-	2,125,002.00	424,996.00
BAR TO NGWEMABALA PEDESTRIAN BRIDGE	-	2,125,002.00	424,996.00
ROADS KWASITHOLE PEDESTRIAN BRIDGE	-	2,125,002.00	424,996.00



MSIKABA VEHICULAR (WARD 25)	-	2,125,002.00	-
NGQUMBELA ROAD AND CAUSEWAY	-	1,699,995.00	850,003.00
CONCRETING OF CHIBINI ROAD (WARD 26)	-	1,699,995.00	850,003.00
ROADS NOSITHA MAIN ROAD	-	1,699,995.00	-
MBHECUKA VEHICULAR BRIDGE WARD 29	-	1,274,999.00	850,003.00
ROADS NTSHOMELA PEDESTRIAN BRIDGE	-	1,274,999.00	424,996.00
ROADS ESIDLIDLINI PEDESTRIAN BRIDGE	-	1,274,999.00	424,996.00
ROADS MAQOBO PEDESTRIAN BRIDGE	-	1,274,999.00	255,002.00
MAZUBANE/DIKWE PEDESTRIAN BRIDGE WARD 20	-	1,274,999.00	-
ROADS JESUS ROAD	-	1,274,999.00	-
Inter switch replacements DBSA funded	-	1,000,000.00	1,000,000.00
Mini sub replacement DBSA funded	-	1,000,000.00	1,000,000.00
Cable Replacement DBSA funded	-	1,000,000.00	500,000.00
OUTDOOR GYM FACILITIES (PER CLUSTER)	-	850,003.00	850,003.00
ROADS MAZUBANE PEDESTRIAN BRIDGE	-	850,003.00	-
BANANA BEACH PEDESTRIAN (WARD 16)	-	424,996.00	-
MNGANKA VEHICULAR BRIDGE	-	424,996.00	-
WARD 34 COMMUNITY HALL (MIG Funding)	-	-	-
ROADS SMITH STREET	-	-	-
ROADS RURAL STORMWATER MIG	-	-	-
MUNICIPAL MANAGER FURNITURE AND EQUIPMENT	-	-	-
	98,630,018.00	103,053,952.00	58,210,999.00



4.6.3 Investment register

The municipality has an investment register, see table on the following page.

Table 62 : Investment register

KZN216 Ray Nkonyeni - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														
INVESTEC - 1400-190309-500		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	5,321				5,321
STD BANK - 881111369885		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	15,845				15,845
ABSA - 20-7295-0343		Call Deposits < 90 Days	Call Deposits	No	Variable	4,5% - 6,5%			Call Deposits < 90 Days	16,196				16,196
FNB		Call Deposits < 90 Days	Call Deposits	No	Variable	0,048			Call Deposits < 90 Days	11,438			13,904	25,342
NEDBANK		Call Deposits < 90 Days	Call Deposits	No	Variable	0,048			Call Deposits < 90 Days	11,516				11,516
														-
Municipality sub-total										60,317		-	13,904	74,221
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									60,317		-	13,904	74,221

4.6.4 Capital Expenditure

Table:55 Capital expenditure by funding source

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A5 Budgeted Capital Expenditure by Functional Classification and Funding -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Funded by:											
National Government		-	-	(46,110)	(104,325)	(106,818)	-	-	(68,096)	(74,205)	(38,505)
Provincial Government		-	-	46,704	(9,758)	(18,620)	-	-	(3,475)	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	(1,000)	-	-	-	(8,941)	(9,918)	-
Transfers recognised - capital	4	-	-	594	(115,083)	(125,438)	-	-	(80,512)	(84,123)	(38,505)
Borrowing	6	-	-	-	1,130	131	-	-	(3,000)	(8,476)	(7,976)
Internally generated funds		-	-	(18,371)	41,680	30,903	-	-	(15,118)	(10,455)	(11,730)
Total Capital Funding	7	-	-	(17,777)	(72,273)	(94,404)	-	-	(98,630)	(103,054)	(58,211)

The main source of funding of the 2020/21 Capital budget of R98,630 million is transfers recognized capital from National and provincial departments, followed by internally generated funds from reserves of R15,118 million. Capital projects are group per cluster, municipal wide and departmental. Ray Nkonyeni Municipality has 7 clusters.



4.6.5 Operating expenditure

Table 63 : Summary of operating expenditure by standard classification item

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A4 Budgeted Financial Performance (All)-30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand	1										
Expenditure By Type											
Employee related costs	2	317,847,086	358,014,314	392,131,404	382,858,803	403,553,602	403,553,602	166,981,864	429,291,051	455,870,448	482,983,020
Remuneration of councillors		22,043,919	25,954,038	27,359,807	28,922,376	28,922,376	28,922,376	17,772,017	30,368,496	32,650,464	34,446,972
Debt impairment	3	129,509,601	36,464,930	6,930,737	8,988,659	8,988,659	8,988,659	2,090,265	12,988,659	4,280,000	2,289,800
Depreciation and asset impairment	2	70,238,502	134,673,729	118,201,151	51,250,000	51,250,000	51,250,000	-	91,999,996	92,920,025	93,849,206
Finance charges		13,092,629	-	2,342,565	2,500,000	2,808,000	2,808,000	1,579,299	12,505	-	-
Bulk purchases	2	75,593,791	87,168,139	92,102,640	100,159,210	100,159,210	100,159,210	86,394,039	106,168,766	110,893,277	115,828,031
Other materials	8	-	6,443,667	4,995,559	5,437,390	5,984,094	5,984,094	3,186,361	10,519,589	10,076,676	10,487,394
Contracted services		119,014,765	136,540,533	206,348,895	274,217,982	274,210,557	274,210,557	142,052,116	244,854,212	255,630,916	267,366,844
Transfers and subsidies		4,603,654	39,126,163	4,578,464	12,700,700	12,015,699	12,015,699	5,445,447	5,450,029	7,710,011	7,170,018
Other expenditure	4,5	165,545,756	148,908,240	150,147,383	152,142,798	172,066,695	172,066,695	104,717,909	133,323,976	155,935,442	160,696,233
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		917,489,703	973,293,753	1,005,138,605	1,019,177,918	1,059,958,892	1,059,958,892	530,219,317	1,064,977,279	1,125,967,259	1,175,117,518

4.6.6 Employee related details and Councillors

Table 64 : Employee related costs and Councillors

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		(8,329)	21,438	24,300	26,026	26,026	-	27,327	29,380	30,997
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	2,600	-	-	-	-	-	-	-
Cellphone Allowance		-	1,916	3,060	2,897	2,897	-	3,042	3,270	3,450
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		(8,329)	25,954	27,360	28,922	28,922	-	30,368	32,650	34,447
Other Municipal Staff										
Basic Salaries and Wages		192,637	285,655	290,148	317,898	322,057	-	338,311	358,761	380,122
Pension and UIF Contributions		1,200	5,954	1,953	1,945	2,015	-	2,129	2,257	2,392
Medical Aid Contributions		12,487	16,192	16,922	9,903	21,927	-	32,890	34,864	36,955
Overtime		15,131	18,909	18,538	16,211	15,460	-	11,123	12,461	13,134
Performance Bonus		20,348	21,154	24,465	20,274	22,416	-	24,048	25,491	27,021
Motor Vehicle Allowance	3	10,851	13,534	13,656	13,431	16,269	-	17,115	18,142	19,231
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	2,480	3,236	3,175	3,197	3,410	-	3,674	3,894	4,128
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		155	993	5,891	-	-	-	-	-	-
Long service awards		993	3,652	4,023	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	13,361	-	-	-	-	-	-
Sub Total - Other Municipal Staff		256,281	369,278	392,131	382,859	403,554	-	429,291	455,870	482,983
% increase	4		44.1%	6.2%	(2.4%)	5.4%	(100.0%)	-	6.2%	5.9%
Total Parent Municipality		247,952	395,232	419,491	411,781	432,476	-	459,660	488,521	517,430
			59.4%	6.1%	(1.8%)	5.0%	(100.0%)	-	6.3%	5.9%

The budgeted allocation for employee related costs, senior management and councillors for the 2020/21 financial year totals R429.291million, which equals 40 per cent of the total operating



expenditure. The salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2020/21 financial year and also it must be noted that there are other line items which are excluded in employee costs e.g. overtime, standby allowances, salaries temps, pension funds contributions which were not kept at 7 per cent increase as compared to basic salary increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R92 million for the 2020/21 financial. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 8.1 per cent as per NERSA Guidelines.

4.6.8 Free Basic Services: Basic Social Service Package

The social package assists households that are poor or face circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy and the policy is reviewed annually. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

4.6.9 The Indigent Policy

Ray Nkonyeni Municipality has an Indigent policy and is reviewed yearly alongside the budget. **(See attachment No. 17).**

i. Purpose of the Indigent Policy

- (a) Provides basic services to the community within the financial and administrative capacity of the municipality;
- (b) Provides procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation received from National Treasury and other budgetary provisions; and
- (c) Ensures affordability by subsidizing tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in terms of the municipality's service delivery plan.

ii. Extent of Indigent Support

Subsidies will be determined during the compilation of the annual budget.



The source of funding of the indigent subsidy is that portion of the equitable share contribution by National Treasury and any additional provisions made by council as provided for in the annual operating budget.

The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget by the municipality has been exhausted whereupon no further credits will be made.

In respect of electricity, a 100% subsidy up to 50 kWh per month will apply. If consumption exceeds any of the norms stated in (7) and (8) per metering period (month), the consumer will be charged normal tariffs on the quantity exceeding the above-mentioned limits. If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.

Annual service charges on the indigent's account will automatically be converted to monthly instalments.

iii. Reporting Requirements

(1) The Chief Financial Officer shall report on a monthly basis to the Finance & Budget Portfolio Committee for the month concerned.

4.6.9.1 The Indigent Register

The municipality has an indigent register that it reviews on yearly basis. **(See attachment No. 28)**

4.6.10 Revenue Raising/Enhancement Strategy

Ray Nkonyeni has an Investment Raising/Enhancement Strategy reviewed and adopted in 2017, **(See attachment No. 19)**. The strategy clearly indicates the mechanisms employed to enhance revenue. To increase or improve the collection rate from debtors is an obvious strategy to improve revenue enhancement but revenue enhancement is more than just that, it also requires other departments to identify possible options which could result in savings or additional revenue. To effectively deal with the current challenges, the municipality must plan and implement effective and integrated revenue enhancement strategies. Revenue enhancement is a process focused on the holistic improvement of the municipal business model.

4.6.10.1 Sources of revenue

The municipality has various revenue sources. On the following page are the listed sources.



Table 65 : Operating transfers and grants

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA18 Transfers and Grant Receipts - 30 June 2021										
Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand										
RECEIPTS										
Operating										
National Government										
Equitable Share			175,566,000	185,324,000	205,608,000	205,608,000	205,608,000	222,794,000	232,819,730	243,296,614
Energy Efficiency and Demand Side Management				6,000,000						
Expanded Public Works Programme Integrated Grant			3,306,000	4,061,000	4,405,000	4,405,000	4,405,000	3,949,000	4,126,705	4,333,043
Integrated National Electrification Programme [Schedule 5B]			14,000,000							
Local Government Financial Management Grant			3,600,000	3,600,000	2,500,000	2,500,000	2,500,000	1,999,998	1,999,998	1,999,998
Municipal Demarcation Transition Grant			8,280,000	744,137		311,072	311,072			
Municipal Disaster Grant								1,108,000		
Municipal Infrastructure Grant				1,220,087						
Municipal Systems Improvement Grant				1,300,000						
Total National Government		-	206,052,000	200,949,224	212,513,000	212,824,072	212,824,072	229,850,998	238,946,433	249,629,655
Provincial Government										
Infrastructure					112,059,000	112,058,910	112,058,910	91,545,421	56,947,000	61,339,003
Capacity Building and Other					13,468,000	13,468,000	13,468,000	14,040,004	14,457,003	14,980,999
Accreditation of Municipalities			5,995,860							
Community Library Services Grant			10,930,786							
Housing				7,659,115						
Housing Development			33,771,390							
Libraries, Archives and Museums				12,810,681						
Museum Subsidies			350,000							
Sporting Facilities Maintenance Grant			1,871,130							
Sports and Recreation				275,002						
Town Planning Grant			(18,792)							
Total Provincial Government		-	52,900,374	20,744,798	125,527,000	125,526,910	125,526,910	105,585,425	71,404,003	76,320,002
District Municipalities										
Capacity Building and Other						39,999	39,999	51,997	51,997	51,997
Total District Municipalities		-	-	-	-	39,999	39,999	51,997	51,997	51,997
Other Grant Providers										
Local Government, Water and Related Service SETA					1,298,712	1,298,712	1,298,712	1,298,715	1,363,648	1,438,646
State Information Technology Agency (SITA)						200,001	200,001			
Transport, Education and Training SETA				450,000	1,050,000	1,050,000	1,050,000	5		
Unspecified			440,405							
Total Other Grant Providers		-	440,405	450,000	2,348,712	2,548,713	2,548,713	1,298,720	1,363,648	1,438,646
Total Operating		-	259,392,779	222,144,022	340,388,712	340,939,694	340,939,694	336,787,140	311,766,081	327,440,300

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality



It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc.

The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions

4.6.11 Property Rates

National Treasury's MFMA Circular No. 58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 and R50 000 reduction on the market value of a property for residential and vacant land categories respectively ,will be granted in terms of the municipality's own Property Rates Policy;
- 100 per cent rebate
- For pensioners, physically and mentally disabled persons whose household income equal 2 state pensions, 4 state pensions and 6 state pensions will receive a rebate of 75%, 50% and 25 % respectively in terms of Rates policy.
- Indigents, in terms of the indigent policy are exempt from paying rates if the value of the property is less than R320 000.00.

The categories of rate-able properties for purposes of levying rates the proposed rates increase for the 2020/21 financial year is 5 per cent and the table below reflect individual municipality tariff for rates since the new valuation and new tariffs will be implemented in 2020/21 budget year.



Table 66 : Proposed rated increase for the 202/21 financial year

KZN216 Ray Nkonyeni - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Property rates (rate in the Rand)	1								
Residential properties			0.0254	0.0103	0.0108	0.0114	0.0119	0.0125	0.0132
Residential properties - vacant land			0.0109	0.0205	0.0216	0.0229	0.0239	0.0251	0.0265
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			0.0205	0.0205	0.0215	-	-	-	-
Farm properties - used			0.0031	0.0026	0.0027	0.0029	0.0030	0.0031	0.0033
Farm properties - not used			0.0023	-	-	0.0029	0.0030	0.0031	0.0033
Industrial properties			0.0304	0.0175	0.0183	0.0194	0.0203	0.0213	0.0225
Business and commercial properties			0.0304	0.0175	0.0183	0.0194	0.0203	0.0213	0.0225
Communal land - residential			0.0005	0.0010	0.0011	0.0011	0.0012	0.0013	0.0013
Communal land - small holdings			-	-	-	0.0011	0.0012	0.0013	0.0013
Communal land - farm property			0.0010	0.0026	0.0027	0.0011	0.0012	0.0013	0.0013
Communal land - business and commercial			-	-	-	0.0011	0.0012	0.0013	0.0013
Communal land - other			0.0005	0.0051	0.0054	0.0011	0.0012	0.0013	0.0013
State-owned properties			0.0050	0.0175	0.0183	0.0194	0.0203	0.0213	0.0225
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.0038	0.0026	0.0027	0.0029	0.0030	0.0031	0.0033
Privately owned towns serviced by the owner			0.0205	-	-	-	-	-	-
State trust land						-	-	-	-
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate			85,000	85,000	85,000	85,000	85,000	85,000	85,000
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption						300,000	300,000	300,000	300,000
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fix fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		(fill in thresholds)							
Water usage - Block 2 (c/kl)		(fill in thresholds)							
Water usage - Block 3 (c/kl)		(fill in thresholds)							
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fix fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								



Electricity tariffs									
Domestic									
Basic charge/ fixed fee (Rands/month)						261	277	299	324
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid (c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)				1	1	1	1
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)				2	2	2	2
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)				2	2	2	3
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)				2	3	3	3
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/ fixed fee						59	62	65	68
80l bin - once a week						147	154	161	170
250l bin - once a week									

4.6.12 Revenue Protection (Debt Management)

4.12.1 Tariffs

i. Sale of Electricity and Impact of Tariff Increases

Considering the Eskom increases of 8.76% standard tariff to ordinary citizen with the effect from 1 April 2020, but the municipality approved to increase the electricity tariff to be 8.1 per cent to offset the additional bulk purchase cost from 1 July 2020. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.



Table 67 : SA 13b Service Tarrifs by category-explanatory

KZN216 Ray Nkonyeni - Supporting Table SA13b Service Tariffs by category - explanatory

Description	R e f	Provide description of tariff structure where appropriate	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
							Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Exemptions, reductions and rebates (Rands)									
Rebate for pensioners			10,652,831	22,525,449	22,449,157	5,908,364	6,174,241	6,482,953	6,839,515
Rebate for bonafide farmers			2,645,860	-	-	3,411,724	3,565,252	3,743,515	3,949,408
Rebate schools			25,845,000	26,098,493	-	6,754,370	7,058,317	7,411,233	7,818,851
Rebate residential properties and vacant land			7,314,629	38,440,018	40,090,927	60,192,742	62,901,415	66,046,486	69,679,043
Water tariffs									
Domestic-Basic charge/fixed per month		(fill in thresholds)				261	277	299	324
Domestic Conventional_IBT block 1		Kwh per unit 0-50 units				1	1	1	1
Domestic Conventional_IBT block 2		Kwh per unit 51-350 units				2	2	2	2
Domestic Conventional_IBT block 3		Kwh per unit 351-600 units				2	2	2	3
Domestic Conventional_IBT block 4		Kwh per unit >600 units				2	3	3	3
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
Waste water tariffs									
[Insert blocks as applicable]		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
[Insert blocks as applicable]		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
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		(fill in thresholds)							</



Table 68 : SA 14 Household bills

KZN216 Ray Nkonyeni - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates					686.04	686.04	686.04	4.5%	716.92	752.77	794.17
Electricity: Basic levy					226.68	226.68	226.68	6.2%	240.82	260.32	281.41
Electricity: Consumption					2,119.60	2,119.60	2,119.60	6.2%	2,251.86	2,434.26	2,631.44
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal					127.94	127.94	127.94	4.5%	133.70	140.38	148.10
Other											
sub-total		-	-	-	3,160.26	3,160.26	3,160.26	5.8%	3,343.29	3,587.74	3,855.13
VAT on Services					371.13	371.13	371.13	5.8%	393.96	425.24	459.14
Total large household bill:		-	-	-	3,531.39	3,531.39	3,531.39	5.8%	3,737.25	4,012.98	4,314.27
% increase/-decrease					-	-	-		5.8%	7.4%	7.5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates					457.36	457.36	457.36	4.5%	477.94	501.84	529.44
Electricity: Basic levy					226.68	226.68	226.68	6.2%	240.82	260.32	281.41
Electricity: Consumption					887.62	887.62	887.62	6.2%	943.01	1,019.39	1,101.96
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal					127.94	127.94	127.94	4.5%	133.70	140.38	148.10
Other											
sub-total		-	-	-	1,699.59	1,699.59	1,699.59	5.6%	1,795.46	1,921.93	2,060.91
VAT on Services					186.34	186.34	186.34	5.7%	197.63	213.01	229.72
Total small household bill:		-	-	-	1,885.93	1,885.93	1,885.93	5.7%	1,993.09	2,134.95	2,290.63
% increase/-decrease					-	-	-		5.7%	7.1%	7.3%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates					-	-	-	-	-	-	-
Electricity: Basic levy					226.68	226.68	226.68	6.2%	240.82	260.32	281.41
Electricity: Consumption					397.43	397.43	397.43	6.2%	422.23	456.44	493.41
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal					-	-	-	-	-	-	-
Other											
sub-total		-	-	-	624.11	624.11	624.11	6.2%	663.05	716.76	774.82
VAT on Services					93.62	93.62	93.62	6.2%	99.46	107.51	116.22
Total small household bill:		-	-	-	717.73	717.73	717.73	6.2%	762.50	824.28	891.04
% increase/-decrease					-	-	-		6.2%	8.1%	8.1%

ii. Waste Removal and Impact of Tariff Increases

The municipality has implemented a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to solid waste are maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Currently solid waste removal is operating at a surplus.



iii. Other Tariff of Charges

Other tariff of charges such licenses and permits, town planning, fines and other revenue have been increased by 4.5 per cent and tariff of charges is attached as annexure.

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

Budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

Operational gains and efficiencies will be directed to funding the capital budget and other core services

4.6.13 Financial Management

4.4.13.1 Supply Chain Management

Projects appearing in the SDBIP are aligned to the procurement plan of the municipality. (see attached SDBIP). The unit does experience challenges such as time delays due to the user departments and the procurement plan is not properly executed at times due to little support from end user departments. It must be noted that the municipality has not faced any deviations in the last current financial year. The Supply Chain Management Policy which was reviewed and adopted in May 2017 does not make provision for the disabled to qualify for tenders, however, there is a separate policy that the municipality has drafted and will be adopted in due course that caters for this group of people. Within the Budget and Treasury Department, there is an indication of skills shortages as listed below:

Financial Statements : Outsource consultants

VAT : Outsource consultants

Asset Management : Outsource consultants

Credit Control : Some cases are handed to outsourced attorneys

Consultants' costs are paid according to the tariffs per contract of the awarded tender, hourly tender. MOAs are signed between financial consultants and the municipality with needs analysis which indicate shortage of capacity. For procuring purposes, refer to the (***Procurement Plan attachment no.31.***)

4.6.14 Assets and infrastructure

The municipality has a clear record of assets as well as a policy for implementation and maintenance, acquisitions, disposals and depreciation.



Table 69 : MBRR TABLE ASSET TABLE

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A9 Asset Management -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand	N									
CAPITAL EXPENDITURE										
Total New Assets	1	-	62,742,904	8,964,894	114,333,391	96,731,219	96,731,219	81,939,008	78,342,953	34,849,985
Roads Infrastructure			10,544,218	13,573,944	35,043,480	30,532,126	30,532,126	33,965,002	42,499,985	14,704,998
Storm water Infrastructure			9,484,605	56,473	7,691,304	5,085,895	5,085,895	3,825,014	2,549,998	2,974,994
Electrical Infrastructure			2,263,519	3,412,105	26,626,087	23,930,436	23,930,436	14,115,003	6,375,002	8,074,995
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure					1,739,130					
Information and Communication Infrastructure										
Infrastructure		-	22,292,342	17,042,522	71,100,001	59,548,457	59,548,457	51,905,019	51,424,985	25,754,987
Community Facilities			32,906,721	13,915,886	21,029,027	24,572,740	24,572,740	7,904,985	5,099,996	1,274,999
Sport and Recreation Facilities			3,758,193	748,760	1,739,130	608,695	608,695	2,974,994	5,099,996	1,019,997
Community Assets		-	36,664,914	14,664,646	22,768,157	25,181,435	25,181,435	10,879,979	10,199,992	2,294,996
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings			1,082,138	563,396	11,611,304	3,391,307	3,391,307	15,365,891	16,717,976	6,800,002
Housing				7,012,592						
Other Assets		-	1,082,138	7,575,988	11,611,304	3,391,307	3,391,307	15,365,891	16,717,976	6,800,002
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					1,600,000	695,652	695,652	436,503		
Intangible Assets		-	-	-	1,600,000	695,652	695,652	436,503	-	-
Computer Equipment			630,610	(7,787,360)	2,736,467	3,795,286	3,795,286	600,010		
Furniture and Office Equipment			1,340,681	(12,947,671)	1,936,056	1,550,330	1,550,330	1		
Machinery and Equipment			732,219	(8,740,191)	2,581,406	2,568,752	2,568,752	2,751,605		
Transport Assets				(843,040)						
Land										
Zoo's, Marine and Non-biological Animals										
Total Renewal of Existing Assets	2	-	11,539,294	12,335,408	8,869,565	6,782,608	6,782,608	10,814,983	12,834,998	10,709,989
Roads Infrastructure			11,690,911	11,896,112	6,086,956	6,086,956	6,086,956	8,159,987	10,624,999	8,499,997
Storm water Infrastructure										
Electrical Infrastructure			(151,617)	439,296	1,565,218			1,105,000	1,530,001	1,529,994
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure					695,652	695,652	695,652	700,000	679,998	679,998
Information and Communication Infrastructure										
Infrastructure		-	11,539,294	12,335,408	8,347,826	6,782,608	6,782,608	9,964,987	12,834,998	10,709,989
Community Facilities								425,000		
Sport and Recreation Facilities								424,996		
Community Assets		-	-	-	-	-	-	849,996	-	-
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings					521,739					
Housing										
Other Assets		-	-	-	521,739	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										



Total Upgrading of Existing Assets	6	-	4,555,243	9,999,404	11,591,304	6,913,044	6,913,044	5,876,046	3,824,997	5,100,007
Roads Infrastructure			778,989	1,258,612	260,870	660,869	660,869			
Storm water Infrastructure										
Electrical Infrastructure			2,847,382							
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	3,626,371	1,258,612	260,870	660,869	660,869	-	-	-
Community Facilities				2,844,372	9,521,739	4,182,609	4,182,609	4,675,000	2,974,994	4,250,004
Sport and Recreation Facilities			928,872	5,896,420	1,739,130	2,000,001	2,000,001	1,201,046	850,003	850,003
Community Assets		-	928,872	8,740,792	11,260,869	6,182,610	6,182,610	5,876,046	3,824,997	5,100,007
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings					69,565	69,565	69,565			
Housing										
Other Assets		-	-	-	69,565	69,565	69,565	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure	4	-	78,837,441	31,299,706	134,794,260	110,426,871	110,426,871	98,630,037	95,002,948	50,659,981
Roads Infrastructure			23,014,118	26,728,668	41,391,306	37,279,951	37,279,951	42,124,989	53,124,984	23,204,995
Storm water Infrastructure			9,484,605	56,473	7,691,304	5,085,895	5,085,895	3,825,014	2,549,998	2,974,994
Electrical Infrastructure			4,959,284	3,851,401	28,191,305	23,930,436	23,930,436	15,220,003	7,905,003	9,604,989
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure					2,434,782	695,652	695,652	700,000	679,998	679,998
Information and Communication Infrastructure										
Infrastructure		-	37,458,007	30,636,542	79,708,697	66,991,934	66,991,934	61,870,006	64,259,983	36,464,976
Community Facilities			32,906,721	16,760,258	30,550,766	28,755,349	28,755,349	13,004,985	8,074,990	5,525,003
Sport and Recreation Facilities			4,687,065	6,645,180	3,478,260	2,608,696	2,608,696	4,601,036	5,949,999	1,870,000
Community Assets		-	37,593,786	23,405,438	34,029,026	31,364,045	31,364,045	17,606,021	14,024,989	7,395,003
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings			1,082,138	563,396	12,202,608	3,460,872	3,460,872	15,365,891	16,717,976	6,800,002
Housing				7,012,592						
Other Assets		-	1,082,138	7,575,988	12,202,608	3,460,872	3,460,872	15,365,891	16,717,976	6,800,002
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					1,600,000	695,652	695,652	436,503		
Intangible Assets		-	-	-	1,600,000	695,652	695,652	436,503	-	-
Computer Equipment			630,610	(7,787,360)	2,736,467	3,795,286	3,795,286	600,010		
Furniture and Office Equipment			1,340,681	(12,947,671)	1,936,056	1,550,330	1,550,330	1		
Machinery and Equipment			732,219	(8,740,191)	2,581,406	2,568,752	2,568,752	2,751,605		
Transport Assets				(843,040)						
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL CAPITAL EXPENDITURE - Asset Class		-	78,837,441	31,299,706	134,794,260	110,426,871	110,426,871	98,630,037	95,002,948	50,659,981



ASSET REGISTER SUMMARY - PPE (WDV)	5	-	1,533,676,645	1,624,942,218	83,544,260	59,176,871	59,176,871	1,650,157,442	1,645,610,324	1,600,338,176
<i>Roads Infrastructure</i>			466,980,055	661,110,342	(3,104,346)	(5,389,613)	(5,389,613)	623,861,821	632,994,989	603,551,322
<i>Storm water Infrastructure</i>			41,499,346	42,377,332	9,256,521	5,259,808	5,259,808	47,902,340	47,052,331	46,202,328
<i>Electrical Infrastructure</i>			80,085,385	83,936,786	28,191,305	23,930,436	23,930,436	98,717,494	91,402,494	93,102,480
<i>Water Supply Infrastructure</i>			345,823	345,823				345,823	345,823	345,823
<i>Sanitation Infrastructure</i>										
<i>Solid Waste Infrastructure</i>			3,747,410	(9,082,931)				(9,082,931)	(9,082,931)	(9,082,931)
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>					2,434,782	695,652	695,652	700,000	679,998	679,998
<i>Information and Communication Infrastructure</i>										
Infrastructure		-	592,658,019	778,687,352	36,778,262	24,496,283	24,496,283	762,444,547	763,392,704	734,799,020
Community Assets			290,157,695	546,146,588	26,855,114	27,233,609	27,233,609	577,042,608	577,212,620	570,582,634
Heritage Assets			1,636,952	1,651,952				1,651,952	1,651,952	1,651,952
Investment properties			186,692,600	197,751,000				197,751,000	197,751,000	197,751,000
Other Assets			1,082,138	8,658,126	18,106,955	5,886,959	5,886,959	27,124,195	24,798,954	14,875,216
Biological or Cultivated Assets										
Intangible Assets			354,409	763,136	1,600,000	695,652	695,652	1,016,776	580,273	580,273
Computer Equipment			6,110,387	4,149,822	1,236,467	2,295,286	2,295,286	2,823,098	2,197,513	2,171,685
Furniture and Office Equipment			(79,597,992)	3,937,090	436,056	50,330	50,330	1,942,151	1,916,575	1,890,747
Machinery and Equipment			8,160,853	4,648,337	931,406	918,752	918,752	3,894,932	1,685,131	1,655,046
Transport Assets			14,731,661	8,763,773	(2,400,000)	(2,400,000)	(2,400,000)	4,681,141	4,638,560	4,595,561
Land			511,689,923	69,785,042				69,785,042	69,785,042	69,785,042
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		-	1,533,676,645	1,624,942,218	83,544,260	59,176,871	59,176,871	1,650,157,442	1,645,610,324	1,600,338,176
EXPENDITURE OTHER ITEMS										
Depreciation	7			85,466,282	49,850,000	49,850,000	49,850,000	89,999,998	90,900,007	91,809,014
Repairs and Maintenance by Asset Class	3	-	464,457	-	40,269,422	47,083,576	47,083,576	46,314,976	47,602,075	49,578,155
<i>Roads Infrastructure</i>					23,150,000	26,335,001	26,335,001	25,497,175	22,461,868	23,461,427
<i>Storm water Infrastructure</i>										
<i>Electrical Infrastructure</i>			464,457		2,687,465	2,700,464	2,700,464	2,808,487	2,933,469	3,064,006
<i>Water Supply Infrastructure</i>										
<i>Sanitation Infrastructure</i>										
<i>Solid Waste Infrastructure</i>										
<i>Rail Infrastructure</i>										
<i>Coastal Infrastructure</i>										
<i>Information and Communication Infrastructure</i>										
Infrastructure		-	464,457	-	25,837,465	29,035,465	29,035,465	28,305,662	25,395,337	26,525,433
<i>Community Facilities</i>					355,000	355,000	355,000	530,003	553,850	578,777
<i>Sport and Recreation Facilities</i>										
Community Assets		-	-	-	355,000	355,000	355,000	530,003	553,850	578,777
Heritage Assets										
<i>Revenue Generating</i>										
<i>Non-revenue Generating</i>										
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>					5,469,281	5,469,281	5,469,281	5,303,370	5,765,188	6,005,461
<i>Housing</i>										
Other Assets		-	-	-	5,469,281	5,469,281	5,469,281	5,303,370	5,765,188	6,005,461
Biological or Cultivated Assets										
<i>Servitudes</i>										
<i>Licences and Rights</i>										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment					66,000	61,000	61,000	200,000	209,003	218,405
Machinery and Equipment					2,114,356	1,974,356	1,974,356	1,901,991	2,008,337	2,098,568
Transport Assets					6,427,320	10,188,474	10,188,474	10,073,950	13,670,360	14,151,511
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL EXPENDITURE OTHER ITEMS		-	464,457	85,466,282	90,119,422	96,933,576	96,933,576	136,314,974	138,502,082	141,387,169
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	5.0%	60.0%	84.0%	84.0%	5.0%	6.0%	6.0%
Renewal and upgrading and R&M as a % of PPE		0.0%	0.0%	5.0%	60.0%	84.0%	84.0%	5.0%	6.0%	6.0%



Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of the capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 5% to repairs and maintenance.

4.12.7 Repairs and Maintenance

Repairs and maintenance comprises of amongst others the purchase of fuel, diesel, materials for maintenance, potholes, cleaning materials and chemicals. This group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure especially potholes.

R46.3 million for repairs and maintenance has been budgeted. Contracted services equal to 22.9% of the expenditure budget and has been budgeted at R244.8 million.

4.6.14 Technical Organogram

Refer to ORGANOGRAM attachment



Port Shepstone Beachfront



4.6.15 Financial Viability/Sustainability

Table 70 : Financial Viability

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

KZN to Ray Nkonyeni - Supporting Table SA6 Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.0%	1.5%	0.4%	1.0%	1.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Capital Charges to Operating Expenditure		0.0%	2.6%	0.6%	1.4%	1.4%	0.0%	0.0%	0.0%	0.1%	0.1%
Capital Charges to Own Revenue		Finance charges & Repayment of borrowing /Own Revenue	0.0%	2.6%	0.6%	1.4%	1.4%	0.0%	0.0%	0.0%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	476316.3%	0.0%	-1.1%	4.1%	4.6%	0.0%	0.0%	2.0%	4.5%	8.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	17937.8%	17123.0%	17073.8%	0.0%	0.0%	0.0%	0.0%	94.8%	98.9%	98.4%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	-	-	2.2	2.0	2.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	-	-	2.2	2.0	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.5	0.4	(1.2)	(0.6)	-	-	0.5	0.0	0.1
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		94.2%	89.1%	100.4%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.8%	89.0%	100.3%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%	87.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	42.0%	22.8%	24.6%	3.0%	3.3%	0.0%	0.0%	29.1%	32.1%	33.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		53.0%	163.7%	71.7%	-53.6%	-68.5%	0.0%	0.0%	105.8%	240.9%	209.1%
<u>Other Indicators</u>											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
<u>Employee Costs</u>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	53.7%	43.2%	44.7%	36.4%	38.1%	0.0%	0.0%	39.7%	41.9%	42.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	3.8%	4.5%	0.0%	0.0%	4.9%	7.9%	4.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	17.4%	13.5%	5.1%	5.1%	0.0%	0.0%	8.5%	8.5%	8.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.3	22.3	21.1	20.9	20.9	20.9	-	26.5	26.5	27.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	43.3%	34.0%	36.0%	5.0%	5.4%	0.0%	0.0%	45.7%	48.9%	51.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.9	1.3	2.8	0.3	0.2	-	-	1.4	0.6	0.6

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days

Monthly fixed operational expenditure
Fixed operational expenditure % assumption
Own capex
Borrowing

31,940	67,510	67,578	72,162	74,595	-	-	73,868	77,730	81,486
40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
24	83,036	16,529	249,877	236,665	-	-	179,142	187,622	89,184
115,743	-	(177)	10,180	10,796	-	-	3,500	8,476	7,976



RATIO	FORMULA	DATA SOURCE	NORM/ RANGE	INPUT DESCRIPTION	DATA INPUTS AND RESULTS	%
Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In- Year reports and AR	None			18%
				Internally generated funds	15,118,122	
				Borrowings	3,000,000	
				Total Capital Expenditure	98,630,037	
Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In- Year reports and AR	None			15%
				Internally generated funds	15,118,122	
				Total Capital Expenditure	98,630,037	
Own Source Revenue to Total Operating Revenue(Includi ng Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public	Statement Financial Performance, Budget, IDP, In- Year reports and AR	None			91%
				Total Revenue	1,181,901,640	
				Government grant and subsidies	336,787,142	



	Contributions and Donations)/ Total Operating Revenue (including agency services) x 100			Public contributions and Donations	-	
				Capital Grants	101,231,641	
Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months			1 Month
				Cash and cash equivalents	116,219,296	
				Unspent Conditional Grants	30,851,314	
				Overdraft	-	
				Short Term Investments		
				Total Annual Operational Expenditure	1,064,977,279.00	
Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1			2,2
				Current Assets	407,025,470	
				Current Liabilities	184,032,109	
Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		0%	0%
				Interest Paid	12,505	
				Redemption	-	
				Total Operating Expenditure	1,064,977,279	
				Taxation Expense	-	



Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%			0%
				Total Debt	8,040,575	
				Total Operating Revenue	1,080,570,008	
				Operational Conditional Grants	336,787,142	
Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%			8%
				Total Operating Expenditure	1,064,977,279	
				Taxation Expense	-	
				Total Capital Expenditure	98,630,037	
Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%			40%
				Employee/personnel related cost	429,291,051	
				Councillors Remuneration	30,368,496	
				Total Operating Expenditure	1,064,977,279	
				Taxation Expense	-	
Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated -	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%			10%
				Number of units purchased	93862955	



	Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100			and/or generated		
				Number of units sold	84482034	

4.6.16 Loans and Borrowings and Grant Dependency

The municipality currently has loan with Standard Bank that is being paid but anticipate to supplement the current grants and own generated funds with the borrowings form DBSA purely for infrastructural upgrades.

Table 71 : SA Loans and Borrowings

KZN216 Ray Nkonyeni - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		6,345	7,041	7,819	8,687	8,687	8,687	8,066	8,000	7,000
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	6,345	7,041	7,819	8,687	8,687	8,687	8,066	8,000	7,000
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	6,345	7,041	7,819	8,687	8,687	8,687	8,066	8,000	7,000

4.6.17 Auditor General's Opinion

Auditor General expressed an opinion on the financial statements based on the audit conducted in accordance with Public Audit Act no.25 of 2004 ,as fairly represent in all material respect the financial position,cash flows and financial performance of Ray Nkonyeni municipality for the year



ended 30 June 2019 but attention drawn to certain matters..The municipality has made available an action plan to address those matters.

4.6.18 Financial Plan (See Attachment No. 9)

Executive Summary

The application of sound financial management principles for the compilation of the Ray Nkonyeni Local Municipality's Budget is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainability, economically and equitably to all communities

Ray Nkonyeni Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 89 and 99 were used to guide the compilation of the 2020/21 MTREF which indicates the following amongst other things: guidance on budgeting for municipalities affected by redetermination of boundaries and two major phenomena, firstly, the financial impact of the **COVID-19** pandemic on municipalities, and secondly, the impact of the downgrade on South Africa's credit rating

4.6.19 MFMA Circulars

National Treasury sent out MFMA Circular No. 89 and 99 providing guidance to municipalities on their 2020/21 budgets and Medium Term Revenue and Expenditure Framework (MTREF). It is essential reading material in order to understand the background to this budget. National Treasury has also set out the requirements for funding the budget and producing a credible budget.

4.6.20 Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not Committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2).
- Achievement of this requirement in totality effectively means that a Council has surplus in its budget by ensuring that a budgeted outflow does not exceed planned inflows.

Under old budget formats income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.



New budgeting and accounting formats demand that the budgeted Statement of Financial Performance, the Budgeted Statement of Financial Position and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

i. Credible Budget

Amongst other things, a credible budget is a budget that:

Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;

Is achievable in terms of agreed service delivery and performance targets; Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities. A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The main challenges experienced during the compilation of the Budget 2020/21 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Mostly the recent downgrade in credit rating and economic impact ***of covid-19 pandemic***.



The following budget principles and guidelines directly informed the compilation of the 2020/21 Budget for RNM:

- The 2019/20 Adjustments Budget priorities and targets for Ray Nkonyeni municipality, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the 2020/21 budget;
- Audited AFS for 2018/19 for Ray Nkonyeni municipality were also used as a guide for the compilation of the 2020/21 Budget.
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- The 2020 Division of Revenue Bill issued on February 2020 details the allocations that the municipality need to be reflected in the budget
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;
- The relevant policy developments in the different sectors proposals from the National Energy Regulator of South Africa (NERSA)
- Macroeconomics forecast has been taken into account when preparing the salaries budget, the current CPI of 5 percent plus 1.25 percent for 2020/21 financial year as stipulated in salary and wage collective agreement 15 August 2018.

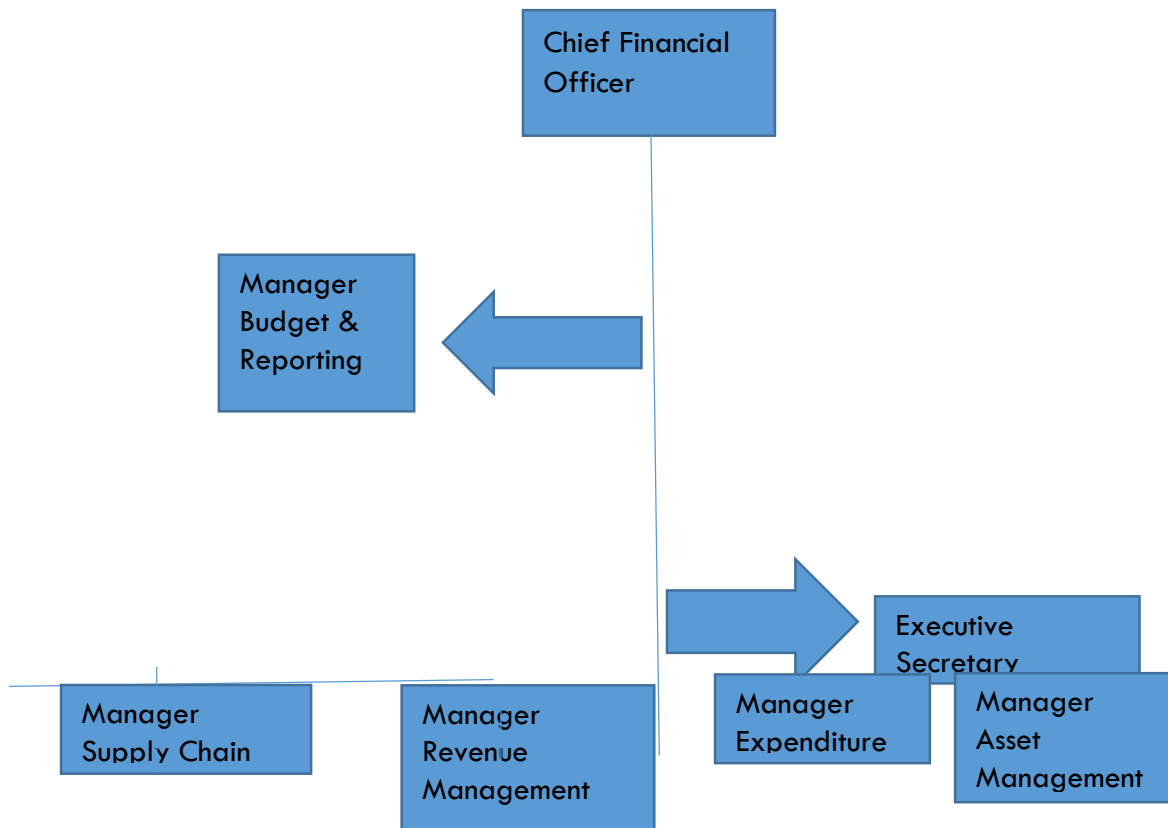
The upper limit was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to priorities expenditures:

- Special Projects;
- Consultant Fees;
- Furniture and office equipment;
- Special Events;
- Refreshments and entertainment;
- Ad-hoc travelling; and
- Subsistence, Travelling & Conference fees

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework.



Budget and Treasury Department Organogram (See attachment for full organogram structure)



4.6.21 PART 2 MAIN BUDGET TABLES

Annual Budget Tables

The following are the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations.

Table 72: MBRR Table A1

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A1 Budget Summary -30 June 2021

Description	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome (R)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Financial Performance										
Property rates	316,117,060.00	389,818,333.00	405,471,556.00	424,591,234.00	436,069,618.00	436,069,618.00	390,956,646.00	457,943,322.00	478,550,783.00	500,085,532.00
Service charges	-	163,161,632.00	174,210,718.00	215,230,574.00	206,162,360.00	206,162,360.00	151,605,239.00	210,671,687.00	220,151,904.00	230,058,740.00
Investment revenue	5,251,457.00	3,617,781.00	4,128,751.00	4,984,703.00	4,770,000.00	4,770,000.00	1,223,427.00	2,466,132.00	2,577,112.00	2,693,074.00
Transfers recognised - operational	183,183,513.00	259,392,779.00	222,144,022.00	340,388,712.00	340,939,694.00	340,939,694.00	211,318,356.00	336,787,140.00	311,766,081.00	327,440,300.00
Other own revenue	302,021,340.00	42,522,565.00	71,458,660.00	64,515,680.00	73,258,168.00	73,258,168.00	38,627,071.00	72,701,727.00	75,973,300.00	79,392,074.00
Total Revenue (excluding capital transfers and contributions)	806,573,370.00	858,513,090.00	877,413,707.00	1,049,710,903.00	1,061,199,840.00	1,061,199,840.00	793,730,739.00	1,080,570,008.00	1,089,019,180.00	1,139,669,720.00
Employee costs	317,847,086.00	358,014,314.00	392,151,404.00	382,858,803.00	403,553,602.00	403,553,602.00	166,981,864.00	429,291,051.00	455,870,448.00	482,983,020.00
Remuneration of councillors	22,043,919.00	25,954,038.00	27,359,807.00	28,922,376.00	28,922,376.00	28,922,376.00	17,772,017.00	30,368,496.00	32,650,464.00	34,446,972.00
Depreciation & asset impairment	70,238,502.00	134,673,729.00	118,201,151.00	51,250,000.00	51,250,000.00	51,250,000.00	-	91,999,996.00	92,920,025.00	93,849,206.00
Finance charges	13,092,629.00	-	2,342,565.00	2,500,000.00	2,808,000.00	2,808,000.00	1,579,299.00	12,505.00	-	-
Materials and bulk purchases	75,593,791.00	93,611,806.00	97,098,199.00	105,596,600.00	106,143,304.00	106,143,304.00	89,580,400.00	116,688,355.00	120,969,953.00	126,315,425.00
Transfers and grants	4,603,654.00	39,126,163.00	4,578,464.00	12,700,700.00	12,015,699.00	12,015,699.00	5,445,447.00	5,450,029.00	7,710,011.00	7,170,018.00
Other expenditure	414,070,122.00	321,913,703.00	363,427,015.00	435,349,439.00	455,265,911.00	455,265,911.00	248,860,290.00	391,166,847.00	415,846,358.00	430,352,877.00
Total Expenditure	917,489,703.00	973,293,753.00	1,005,138,605.00	1,019,177,918.00	1,059,958,892.00	1,059,958,892.00	530,219,317.00	1,064,977,279.00	1,125,967,259.00	1,175,117,918.00
Surplus/(Deficit)	-110,916,333.00	-114,780,663.00	-127,724,898.00	30,532,985.00	1,240,948.00	1,240,948.00	263,511,422.00	15,592,729.00	-36,948,079.00	-35,447,798.00
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	76,618,135.00	86,798,135.00	120,802,463.00	117,440,000.00	116,828,047.00	116,828,047.00	51,435,008.00	90,712,996.00	80,405,997.00	96,256,996.00
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	77,831,513.00	1,100,000.00	100,000.00	100,000.00	-	10,618,636.00	11,772,700.00	109,197.00
Surplus/(Deficit) after capital transfers & contributions	-34,298,198.00	-27,982,528.00	70,909,078.00	149,072,985.00	118,168,995.00	118,168,995.00	314,946,430.00	116,924,381.00	55,230,618.00	60,918,395.00
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-34,298,198.00	-27,982,528.00	70,909,078.00	149,072,985.00	118,168,995.00	118,168,995.00	314,946,430.00	116,924,381.00	55,230,618.00	60,918,395.00
Capital expenditure & funds sources										
Capital expenditure	96,710,528.00	78,837,441.00	31,299,706.00	134,794,260.00	110,426,871.00	110,426,871.00	57,109,950.00	96,300,037.00	95,002,948.00	50,659,981.00
Transfers recognised - capital	96,710,528.00	45,219,969.00	60,599,202.00	94,447,827.00	79,231,301.00	79,231,301.00	-	80,511,915.00	84,122,958.00	38,504,995.00
Borrowing	-	-	-	6,086,956.00	6,086,957.00	6,086,957.00	-	3,000,000.00	424,996.00	424,982.00
Internally generated funds	-	-	-18,534,483.00	34,259,477.00	23,482,446.00	23,482,446.00	-	9,715,017.00	7,479,989.00	8,754,999.00
Total sources of capital funds	96,710,528.00	45,219,969.00	42,064,719.00	134,794,260.00	108,800,704.00	108,800,704.00	-	93,226,932.00	92,027,943.00	47,684,976.00
Financial position										
Total current assets	339,848,861.00	330,539,229.00	382,069,724.00	55,382,887.00	49,238,027.00	49,238,027.00	731,002,776.00	407,025,470.00	345,505,910.00	383,841,836.00
Total non current assets	1,722,201,104.00	1,666,278,936.00	1,703,525,533.00	83,544,260.00	59,176,871.00	59,176,871.00	1,684,839,498.00	1,728,740,757.00	1,724,193,639.00	1,678,921,491.00
Total current liabilities	235,131,881.00	175,989,888.00	181,092,123.00	-19,645,843.00	-19,562,102.00	-19,562,102.00	196,538,976.00	184,032,109.00	175,018,172.00	162,943,173.00
Total non current liabilities	124,231,869.00	139,304,904.00	156,796,728.00	9,500,000.00	9,808,000.00	9,808,000.00	154,850,827.00	160,046,726.00	164,687,726.00	164,138,726.00
Community wealth/Equity	1,702,686,215.00	1,709,505,904.00	1,676,614,468.00	-	149,073,018.00	149,073,018.00	1,747,506,024.00	1,674,763,032.00	1,674,763,032.00	1,674,763,032.00
Cash flows										
Net cash from (used) operating	93,451,785.00	-102,961,745.00	31,404,598.00	185,603,948.00	155,974,306.00	155,974,306.00	400,000,100.00	109,708,441.00	3,638,921.00	-21,500,857.00
Net cash from (used) investing	10,766,448.00	-148,441,982.00	-144,880,443.00	-127,473,137.00	-110,426,871.00	-110,426,871.00	-54,204,444.00	-94,432,520.00	-83,334,742.00	-50,659,981.00
Net cash from (used) financing	-10,661,144.00	13,113,680.00	-2,189,953.00	-15,016,308.00	14,235,004.00	14,235,004.00	-30,856,997.00	24,386,656.00	77,731.00	-422,269.00
Cash/cash equivalents at the year end	93,557,089.00	-141,392,545.00	-26,678,594.00	43,114,503.00	59,782,439.00	59,782,439.00	492,328,837.00	116,219,296.00	-3,061,371.00	3,973,612.00
Cash backing/surplus reconciliation										
Cash and investments available	93,557,089.00	65,006,242.00	76,566,721.00	23,492,353.00	13,253,343.00	13,253,343.00	349,848,353.00	94,963,809.00	7,333,618.00	14,529,644.00
Application of cash and investments	19,862,067.77	-19,103,613.88	-105,886,477.54	-44,856,420.10	-48,834,730.01	-48,834,730.01	-189,416,989.34	-132,623,516.05	-163,030,634.81	-190,726,638.98
Balance - surplus (shortfall)	73,695,021.23	84,109,855.88	182,443,198.54	68,348,773.10	62,088,073.01	62,088,073.01	539,265,342.34	227,587,325.05	170,364,252.81	205,256,282.98
Asset management										
Asset register summary (WDV)	1,713,406,670.00	1,533,676,645.00	1,624,942,218.00	83,544,260.00	59,176,871.00	59,176,871.00	1,606,256,183.00	1,650,157,442.00	1,645,610,324.00	1,600,338,176.00
Depreciation & asset impairment	70,238,502.00	-	85,466,282.00	49,850,000.00	49,850,000.00	49,850,000.00	-	89,999,998.00	90,900,007.00	91,809,014.00
Renewal and Upgrading of Existing Assets	-	16,094,537.00	22,334,812.00	20,460,869.00	13,695,652.00	13,695,652.00	9,087,631.00	16,691,029.00	16,659,995.00	15,809,996.00
Repairs and Maintenance	-	464,457.00	-	40,269,422.00	47,083,576.00	47,083,576.00	27,587,207.00	46,314,976.00	47,602,075.00	49,578,155.00

Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (financial performance, capital expenditure and funding sources, financial position, cash flow, MFMA funding compliance and asset management).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Table 73 : A2- Budgeted Financial Performance (revenue and expenditure by standard classification)

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A2 Budgeted Financial Performance by Functional Classification -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Revenue - Functional										
<i>Municipal governance and administration</i>		883,191,505	666,507,259	636,615,380	661,643,958	679,291,752	679,291,752	715,476,271	746,429,013	779,939,557
Executive and council			176,036,819	186,054,294	205,608,000	205,959,071	205,959,071	222,845,997	232,871,727	243,348,611
Finance and administration		883,191,505	490,470,440	450,561,086	456,035,958	473,332,681	473,332,681	492,630,274	513,557,286	536,590,946
Internal audit										
<i>Community and public safety</i>		-	46,866,330	147,299,841	126,644,775	127,022,684	127,022,684	104,216,590	72,461,723	77,425,306
Community and social services			11,594,751	91,238,757	14,399,375	14,706,773	14,706,773	14,740,975	15,193,217	15,751,016
Sport and recreation				62,744	106,000	55,000	55,000	45,768	47,829	49,979
Public safety			1,271,130	748,393	466,400	400,000	400,000	426,842	446,053	466,124
Housing			34,000,449	55,249,947	111,673,000	111,860,911	111,860,911	89,003,005	56,774,624	61,158,187
Health										
<i>Economic and environmental services</i>		-	40,822,066	91,429,516	137,869,596	134,816,046	134,816,046	129,226,402	123,843,550	127,881,605
Planning and development			28,702,542	7,869,637	31,687,712	33,847,836	33,847,836	97,733,634	90,933,616	93,490,732
Road transport			11,673,921	83,508,398	105,906,284	100,666,552	100,666,552	31,143,400	32,544,838	34,009,359
Environmental protection			445,603	51,481	275,600	301,658	301,658	349,368	365,096	381,514
<i>Trading services</i>		-	187,845,300	197,925,887	234,192,574	226,717,407	226,717,407	226,171,983	235,526,718	247,720,414
Energy sources			133,024,645	143,758,241	161,987,577	155,946,365	155,946,365	157,657,128	164,346,696	173,337,293
Water management										
Waste water management										
Waste management			54,820,655	54,167,646	72,204,997	70,771,042	70,771,042	68,514,855	71,180,022	74,383,121
<i>Other</i>	4		3,270,270	2,777,059	7,900,000	10,279,998	10,279,998	6,810,394	2,936,873	3,069,031
Total Revenue - Functional	2	883,191,505	945,311,225	1,076,047,683	1,168,250,903	1,178,127,887	1,178,127,887	1,181,901,640	1,181,197,877	1,236,035,913
Expenditure - Functional										
<i>Municipal governance and administration</i>		917,489,703	372,300,360	394,959,752	320,406,743	340,449,148	340,449,148	348,572,618	369,850,052	383,010,660
Executive and council			150,393,177	154,782,906	111,504,077	111,800,485	111,800,485	137,307,883	152,241,339	155,426,718
Finance and administration		917,489,703	203,570,798	209,124,560	172,330,847	190,363,413	190,363,413	178,318,117	178,582,875	186,038,176
Internal audit			18,336,385	31,052,286	36,571,819	38,285,250	38,285,250	32,946,618	39,025,838	41,545,766
<i>Community and public safety</i>		-	124,105,141	138,378,786	180,802,366	189,831,061	189,831,061	193,494,017	205,175,467	217,250,634
Community and social services			19,229,647	25,967,133	31,354,759	33,297,350	33,297,350	41,095,071	43,807,236	46,383,034
Sport and recreation			10,259,209	4,652,350	5,369,129	5,515,663	5,515,663	6,258,552	6,617,738	6,997,663
Public safety			48,132,400	42,256,208	30,275,464	49,922,288	49,922,288	46,308,000	48,940,358	51,723,932
Housing			46,483,885	65,503,095	113,803,014	101,095,760	101,095,760	99,832,394	105,810,135	112,146,005
Health										
<i>Economic and environmental services</i>		-	205,918,460	175,061,802	218,512,663	201,369,185	201,369,185	206,400,121	214,939,668	222,515,242
Planning and development			26,964,621	28,253,218	57,790,022	38,232,903	38,232,903	37,329,338	37,918,605	38,956,281
Road transport			158,407,806	127,890,575	136,437,641	139,952,281	139,952,281	153,002,781	160,228,331	166,008,813
Environmental protection			20,546,033	18,918,009	24,285,000	23,184,001	23,184,001	16,068,002	16,792,732	17,550,148
<i>Trading services</i>		-	259,894,010	291,813,353	288,358,673	316,126,192	316,126,192	310,959,295	326,501,543	342,683,045
Energy sources			121,294,589	130,894,873	122,780,590	122,910,790	122,910,790	132,865,775	138,867,462	144,987,686
Water management										
Waste water management										
Waste management			138,599,421	160,918,480	165,578,083	193,215,402	193,215,402	178,093,520	187,634,081	197,695,359
<i>Other</i>	4		11,075,782	4,924,912	11,097,473	12,183,306	12,183,306	5,551,228	9,500,529	9,657,937
Total Expenditure - Functional	3	917,489,703	973,293,753	1,005,138,605	1,019,177,918	1,059,958,892	1,059,958,892	1,064,977,279	1,125,967,259	1,175,117,518
Surplus/(Deficit)		(34,298,198)	(27,982,528)	70,909,078	149,072,985	118,168,995	118,168,995	116,924,361	55,230,618	60,918,395

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that both Electricity function and Waste management function are able to finance its services. As both service charges are reflecting a surplus.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues, other revenue sources and transfers recognized operational from both National and provincial departments.

Table 74 : MBRR Table A3- Budgeted financial performance (revenue and expenditure by vote)

KZN216 Ray Nkonyeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote		1									
Vote 1 - BUDGET AND TREASURY OFFICE			300,636	488,972	447,820	452,411	468,633	–	486,484	508,286	531,070
Vote 2 - TECHNICAL SERVICES			106,511	166,989	259,325	370,701	360,985	–	336,873	304,196	319,752
Vote 3 - PUBLIC SAFETY			3,274	12,945	23,940	26,333	30,272	–	31,570	32,991	34,522
Vote 4 - CORPORATE SERVICES			1,945	2,187	2,741	3,625	4,159	–	6,146	5,271	5,522
Vote 5 - COMMUNITY SERVICES			(2,679)	465	2,045	805	780	–	2,838	2,969	3,104
Vote 6 - COMMUNITY SERVICES			48,820	66,396	160,226	86,181	83,006	–	80,813	83,817	87,697
Vote 7 - ECONOMIC AND DEVELOPMENT PLANNING SERVICES			18,725	28,207	10,644	22,588	21,735	–	14,331	10,796	11,591
Vote 8 - STRATEGIC PLANNING AND GOVERNANCE			–	176,037	186,054	205,608	205,959	–	222,846	232,872	243,349
Vote 9 - Null			–	–	–	–	–	–	–	–	–
Vote 10 - Null			–	–	–	–	–	–	–	–	–
Vote 11 - Null			–	–	–	–	–	–	–	–	–
Vote 12 - Null			–	–	–	–	–	–	–	–	–
Vote 13 - Null			–	–	–	–	–	–	–	–	–
Vote 14 - Null			–	–	–	–	–	–	–	–	–
Vote 15 - Null			–	–	–	–	–	–	–	–	–
Total Revenue by Vote		2	477,232	942,198	1,092,796	1,168,251	1,175,528	–	1,181,902	1,181,198	1,236,606
Expenditure by Vote to be appropriated		1									
Vote 1 - BUDGET AND TREASURY OFFICE			31,707	222,282	132,792	68,972	76,926	–	63,527	60,490	63,626
Vote 2 - TECHNICAL SERVICES			128,041	241,456	261,728	309,760	297,857	–	310,908	328,295	344,467
Vote 3 - PUBLIC SAFETY			76,842	118,581	146,704	119,102	152,200	–	157,168	163,272	169,852
Vote 4 - CORPORATE SERVICES			50,445	68,527	63,262	72,990	75,202	–	77,204	78,946	81,535
Vote 5 - COMMUNITY SERVICES			44,139	114,623	120,274	126,363	140,632	–	124,420	131,079	138,102
Vote 6 - COMMUNITY SERVICES			34,906	74,257	90,182	100,224	115,580	–	117,095	123,874	130,626
Vote 7 - ECONOMIC AND DEVELOPMENT PLANNING SERVICES			19,630	33,952	28,176	64,639	45,417	–	37,659	41,892	42,763
Vote 8 - STRATEGIC PLANNING AND GOVERNANCE			19,695	174,465	178,816	157,129	157,306	–	176,996	198,220	204,249
Vote 9 - Null			–	–	–	–	–	–	–	–	–
Vote 10 - Null			–	–	–	–	–	–	–	–	–
Vote 11 - Null			–	–	–	–	–	–	–	–	–
Vote 12 - Null			–	–	–	–	–	–	–	–	–
Vote 13 - Null			–	–	–	–	–	–	–	–	–
Vote 14 - Null			–	–	–	–	–	–	–	–	–
Vote 15 - Null			–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		2	405,404	1,048,142	1,021,934	1,019,178	1,061,119	–	1,064,977	1,126,069	1,175,219
Surplus/(Deficit) for the year		2	71,829	(105,944)	70,862	149,073	114,409	–	116,925	55,130	61,387

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.



Table 75 : MBRR table A4 Budgeted financial performance (Revenue and expenditure)

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A4 Budgeted Financial Performance (All)-30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Revenue By Source											
Property rates	2	316,005,575	389,818,333	405,471,556	424,591,234	436,069,618	436,069,618	390,956,646	457,943,322	478,550,783	500,085,532
Service charges - electricity revenue	2	-	114,465,983	123,072,077	143,637,577	138,416,365	138,416,365	102,551,623	147,931,034	154,587,921	161,544,377
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	48,695,649	51,138,641	71,592,997	67,745,995	67,745,995	49,053,616	62,740,653	65,563,983	68,514,363
Rental of facilities and equipment		2,790,649	2,661,787	3,076,373	2,762,124	4,336,702	4,336,702	3,824,846	4,228,673	4,418,968	4,617,797
Interest earned - external investments		5,251,457	3,617,781	4,128,751	4,984,703	4,770,000	4,770,000	1,223,427	2,466,132	2,577,112	2,693,074
Interest earned - outstanding debtors		11,497,908	12,577,991	20,914,351	18,839,492	21,927,794	21,927,794	16,660,467	23,824,933	24,897,067	26,017,418
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		84,050,959	8,198,770	17,373,539	13,521,226	17,815,924	17,815,924	1,375,077	14,611,010	15,268,502	15,955,592
Licences and permits		3,822,999	6,024,490	7,369,535	2,304,698	7,169,202	7,169,202	5,661,601	13,156,000	13,748,006	14,366,698
Agency services		4,817,111	3,428,636	3,644,950	9,524,286	4,428,624	4,428,624	3,072,650	3,315,420	3,464,611	3,620,520
Transfers and subsidies		183,183,513	259,392,779	222,144,022	340,388,712	340,939,694	340,939,694	211,318,356	336,787,140	311,766,081	327,440,300
Other revenue	2	195,153,199	9,630,891	7,371,512	17,563,854	17,579,922	17,579,922	8,032,430	13,565,691	14,176,146	14,814,049
Gains		-	-	11,708,400	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		806,573,370	858,513,090	877,413,707	1,049,710,903	1,061,199,840	1,061,199,840	793,730,739	1,080,570,008	1,089,019,180	1,139,669,720
Expenditure By Type											
Employee related costs	2	317,847,086	358,014,314	392,131,404	382,858,803	403,553,602	403,553,602	166,981,864	429,291,051	455,870,448	482,983,020
Remuneration of councillors		22,043,919	25,954,038	27,359,807	28,922,376	28,922,376	28,922,376	17,772,017	30,368,496	32,650,464	34,446,972
Debt impairment	3	129,509,601	36,464,930	6,930,737	8,988,659	8,988,659	8,988,659	2,090,265	12,988,659	4,280,000	2,289,800
Depreciation and asset impairment	2	70,238,502	134,673,729	118,201,151	51,250,000	51,250,000	51,250,000	-	91,999,996	92,920,025	93,849,206
Finance charges		13,092,629	-	2,342,565	2,500,000	2,808,000	2,808,000	1,579,299	12,505	-	-
Bulk purchases	2	75,593,791	87,168,139	92,102,640	100,159,210	100,159,210	100,159,210	86,394,039	106,168,766	110,893,277	115,828,031
Other materials	8	-	6,443,667	4,995,559	5,437,390	5,984,094	5,984,094	3,186,361	10,519,589	10,076,676	10,487,394
Contracted services		119,014,765	136,540,533	206,348,895	274,217,982	274,210,557	274,210,557	142,052,116	244,854,212	255,630,916	267,366,844
Transfers and subsidies		4,603,654	39,126,163	4,578,464	12,700,700	12,015,699	12,015,699	5,445,447	5,450,029	7,710,011	7,170,018
Other expenditure	4,5	165,545,756	148,908,240	150,147,383	152,142,798	172,066,695	172,066,695	104,717,909	133,323,976	155,935,442	160,696,233
Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		917,489,703	973,293,753	1,005,138,605	1,019,177,918	1,059,958,892	1,059,958,892	530,219,317	1,064,977,279	1,125,967,259	1,175,117,518
Surplus/(Deficit)		(110,916,333)	(114,780,663)	(127,724,898)	30,532,985	1,240,948	1,240,948	263,511,422	15,592,729	(36,948,079)	(35,447,798)
Transfers and subsidies - capital (monetary allocations) (National / Prov		76,618,135	86,798,135	120,802,463	117,440,000	116,828,047	116,828,047	51,435,008	90,712,996	80,405,997	96,256,996
Transfers and subsidies - capital (monetary allocations) (Nat / P	6	-	-	-	1,100,000	100,000	100,000	-	10,618,636	11,772,700	109,197
Transfers and subsidies - capital (in-kind - all)		-	-	77,831,513	-	-	-	-	-	-	-
		(34,298,198)	(27,982,528)	70,909,078	149,072,985	118,168,995	118,168,995	314,946,430	116,924,361	55,230,618	60,918,395
Surplus/(Deficit) after capital transfers and contributions		-	-	-	-	-	-	-	-	-	-
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(34,298,198)	(27,982,528)	70,909,078	149,072,985	118,168,995	118,168,995	314,946,430	116,924,361	55,230,618	60,918,395
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(34,298,198)	(27,982,528)	70,909,078	149,072,985	118,168,995	118,168,995	314,946,430	116,924,361	55,230,618	60,918,395
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(34,298,198)	(27,982,528)	70,909,078	149,072,985	118,168,995	118,168,995	314,946,430	116,924,361	55,230,618	60,918,395

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total operating revenue is R1 080 570 008 billion and total capital revenue is R80 million in 2020/21

Total revenue for 2020/21 financial year is R 1.1billion.

Revenue to be generated from property rates is R457 million in the 2020/21 financial year therefore remains a main funding source for the municipality.



Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government amounts to R438 million. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF. The municipality is not grant dependent since major part of revenue is own funding however we still has to ensure that we collect every single cent that is due to us.

Table 76: Consolidated Overview

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A1 Budget Summary -30 June 2021

Description	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome (R)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Financial Performance										
Property rates	316,117,060.00	389,818,333.00	405,471,556.00	424,591,234.00	436,069,618.00	436,069,618.00	390,956,646.00	457,943,322.00	478,550,783.00	500,085,532.00
Service charges	-	163,161,832.00	174,210,718.00	215,230,574.00	206,162,360.00	206,162,360.00	151,605,239.00	210,671,687.00	220,151,904.00	230,058,740.00
Investment revenue	5,251,457.00	3,617,781.00	4,128,751.00	4,984,703.00	4,770,000.00	4,770,000.00	1,223,427.00	2,466,132.00	2,577,112.00	2,693,074.00
Transfers recognised - operational	183,183,513.00	259,392,779.00	222,144,022.00	340,388,712.00	340,939,694.00	340,939,694.00	211,318,356.00	336,787,140.00	311,766,081.00	327,440,300.00
Other own revenue	302,021,340.00	42,522,565.00	71,458,660.00	64,515,680.00	73,258,168.00	73,258,168.00	38,627,071.00	72,701,727.00	75,973,300.00	79,392,074.00
Total Revenue (excluding capital transfers and contributions)	806,573,370.00	858,513,690.00	877,413,707.00	1,049,710,903.00	1,061,199,840.00	1,061,199,840.00	793,730,739.00	1,080,570,008.00	1,089,019,180.00	1,139,669,720.00
Employee costs	317,847,086.00	368,014,314.00	392,131,404.00	382,868,803.00	403,553,602.00	403,553,602.00	166,981,864.00	429,291,051.00	456,870,448.00	482,983,020.00
Remuneration of councillors	22,043,919.00	25,954,038.00	27,359,807.00	28,922,376.00	28,922,376.00	28,922,376.00	17,772,017.00	30,368,496.00	32,650,464.00	34,446,972.00
Depreciation & asset impairment	70,238,502.00	134,673,729.00	118,201,151.00	51,250,000.00	51,250,000.00	51,250,000.00	-	91,999,996.00	92,920,025.00	93,849,206.00
Finance charges	13,092,629.00	-	2,342,565.00	2,500,000.00	2,808,000.00	2,808,000.00	1,579,299.00	12,505.00	-	-
Materials and bulk purchases	75,593,791.00	93,611,806.00	97,098,199.00	105,596,600.00	106,143,304.00	106,143,304.00	89,580,400.00	116,688,355.00	120,969,953.00	126,315,425.00
Transfers and grants	4,603,654.00	39,126,163.00	4,578,464.00	12,700,700.00	12,015,699.00	12,015,699.00	5,445,447.00	5,450,029.00	7,710,011.00	7,170,018.00
Other expenditure	414,070,122.00	321,913,703.00	363,427,015.00	435,349,439.00	455,265,911.00	455,265,911.00	248,860,290.00	391,166,847.00	415,846,358.00	430,352,877.00
Total Expenditure	917,489,703.00	973,293,753.00	1,005,138,605.00	1,019,177,918.00	1,059,958,892.00	1,059,958,892.00	530,219,317.00	1,064,977,279.00	1,125,967,259.00	1,175,117,518.00
Surplus/(Deficit)	-10,916,333.00	-114,780,663.00	-127,724,898.00	30,532,985.00	1,240,948.00	1,240,948.00	263,511,422.00	15,592,729.00	-36,948,079.00	-35,447,798.00
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	76,618,135.00	86,798,135.00	120,802,463.00	117,440,000.00	116,828,047.00	116,828,047.00	51,435,008.00	90,712,996.00	80,405,997.00	96,256,996.00
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	77,831,513.00	1,100,000.00	100,000.00	100,000.00	-	10,618,636.00	11,772,700.00	109,197.00
Surplus/(Deficit) after capital transfers & contributions	-34,298,198.00	-27,982,528.00	70,909,078.00	149,072,985.00	118,168,995.00	118,168,995.00	314,946,430.00	116,924,361.00	55,230,618.00	60,918,395.00
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-34,298,198.00	-27,982,528.00	70,909,078.00	149,072,985.00	118,168,995.00	118,168,995.00	314,946,430.00	116,924,361.00	55,230,618.00	60,918,395.00
Capital expenditure & funds sources										
Capital expenditure	96,710,528.00	78,837,441.00	31,299,706.00	134,794,260.00	110,426,871.00	110,426,871.00	57,109,950.00	98,630,037.00	95,002,948.00	50,659,981.00
Transfers recognised - capital	96,710,528.00	45,219,969.00	60,599,202.00	94,447,827.00	79,231,301.00	79,231,301.00	-	80,511,915.00	84,122,958.00	38,504,995.00
Borrowing	-	-	-	6,086,956.00	6,086,957.00	6,086,957.00	-	3,000,000.00	424,996.00	424,982.00
Internally generated funds	-	-	-18,534,483.00	34,259,477.00	23,482,446.00	23,482,446.00	-	9,715,017.00	7,479,989.00	8,754,999.00
Total sources of capital funds	96,710,528.00	45,219,969.00	42,064,719.00	134,794,260.00	108,800,704.00	108,800,704.00	-	93,226,932.00	92,027,943.00	47,684,976.00
Financial position										
Total current assets	339,848,861.00	330,539,229.00	382,069,724.00	55,382,887.00	49,238,027.00	49,238,027.00	731,002,776.00	407,025,470.00	345,505,910.00	383,841,836.00
Total non current assets	1,722,201,104.00	1,666,278,936.00	1,703,525,533.00	83,544,260.00	59,176,871.00	59,176,871.00	1,684,839,498.00	1,728,740,757.00	1,724,193,639.00	1,678,921,491.00
Total current liabilities	235,131,881.00	175,989,888.00	181,062,123.00	-19,645,843.00	-19,562,102.00	-19,562,102.00	198,538,976.00	184,032,109.00	175,018,172.00	162,943,173.00
Total non current liabilities	124,231,869.00	139,304,904.00	156,796,728.00	9,500,000.00	9,808,000.00	9,808,000.00	154,850,827.00	160,046,726.00	164,687,726.00	164,138,726.00
Community wealth/Equity	1,702,686,215.00	1,709,505,904.00	1,676,614,468.00	-	149,073,018.00	149,073,018.00	1,747,506,024.00	1,674,763,032.00	1,674,763,032.00	1,674,763,032.00
Cash flows										
Net cash from (used) operating	93,451,785.00	-102,961,745.00	31,404,598.00	185,603,948.00	155,974,306.00	155,974,306.00	400,000,100.00	109,708,441.00	3,638,921.00	-21,500,857.00
Net cash from (used) investing	10,766,448.00	-148,441,582.00	-144,880,443.00	-127,473,137.00	-110,426,871.00	-110,426,871.00	-54,204,444.00	-94,432,520.00	-83,334,742.00	-50,659,981.00
Net cash from (used) financing	-10,661,144.00	13,113,680.00	-2,189,953.00	-15,016,308.00	14,235,004.00	14,235,004.00	-30,856,997.00	24,386,656.00	-	-422,269.00
Cash/cash equivalents at the year end	93,557,089.00	-141,392,545.00	-26,878,594.00	43,114,503.00	59,782,439.00	59,782,439.00	492,328,837.00	116,219,296.00	-3,061,371.00	3,973,612.00
Cash backing/surplus reconciliation										
Cash and investments available	93,557,089.00	65,006,242.00	76,556,721.00	23,492,353.00	13,253,343.00	13,253,343.00	349,848,353.00	94,963,809.00	7,333,618.00	14,529,644.00
Application of cash and investments	19,862,067.77	-19,103,613.88	-105,886,477.54	-44,856,420.10	-48,834,730.01	-48,834,730.01	-189,416,989.34	-132,623,516.05	-163,030,634.81	-190,726,638.98
Balance - surplus (shortfall)	73,695,021.23	84,109,855.88	182,443,198.54	68,348,773.10	62,088,073.01	62,088,073.01	539,265,342.34	227,587,325.05	170,364,252.81	205,256,282.98
Asset management										
Asset register summary (WDV)	1,713,406,670.00	1,533,676,645.00	1,624,942,218.00	83,544,260.00	59,176,871.00	59,176,871.00	1,606,256,183.00	1,650,157,442.00	1,645,610,324.00	1,600,338,176.00
Depreciation & asset impairment	70,238,502.00	-	85,466,282.00	49,850,000.00	49,850,000.00	49,850,000.00	-	89,999,998.00	90,900,007.00	91,809,014.00
Renewal and Upgrading of Existing Assets	-	16,094,537.00	22,334,812.00	20,460,869.00	13,695,652.00	13,695,652.00	9,087,631.00	16,691,029.00	16,659,995.00	15,809,996.00
Repairs and Maintenance	-	464,457.00	-	40,269,422.00	47,083,576.00	47,083,576.00	27,587,207.00	46,314,976.00	47,602,075.00	49,578,155.00

Table 77: Employee related cost details and Councillors

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		(8,329)	21,438	24,300	26,026	26,026	-	27,327	29,380	30,997
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	2,600	-	-	-	-	-	-	-
Cellphone Allowance		-	1,916	3,060	2,897	2,897	-	3,042	3,270	3,450
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		(8,329)	25,954	27,360	28,922	28,922	-	30,368	32,650	34,447
Other Municipal Staff										
Basic Salaries and Wages		192,637	285,655	290,148	317,898	322,057	-	338,311	358,761	380,122
Pension and UIF Contributions		1,200	5,954	1,953	1,945	2,015	-	2,129	2,257	2,392
Medical Aid Contributions		12,487	16,192	16,922	9,903	21,927	-	32,890	34,864	36,955
Overtime		15,131	18,909	18,538	16,211	15,460	-	11,123	12,461	13,134
Performance Bonus		20,348	21,154	24,465	20,274	22,416	-	24,048	25,491	27,021
Motor Vehicle Allowance	3	10,851	13,534	13,656	13,431	16,269	-	17,115	18,142	19,231
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	2,480	3,236	3,175	3,197	3,410	-	3,674	3,894	4,128
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		155	993	5,891	-	-	-	-	-	-
Long service awards		993	3,652	4,023	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	13,361	-	-	-	-	-	-
Sub Total - Other Municipal Staff		256,281	369,278	392,131	382,859	403,554	-	429,291	455,870	482,983
% increase	4		44.1%	6.2%	(2.4%)	5.4%	(100.0%)		6.2%	5.9%
Total Parent Municipality		247,952	395,232	419,491	411,781	432,476	-	459,660	488,521	517,430
			59.4%	6.1%	(1.8%)	5.0%	(100.0%)		6.3%	5.9%

The budgeted allocation for employee related costs, senior management and councillors for the 2020/21 financial year totals R459.6 million, which equals 40 per cent of the total operating expenditure. The salary increases have been factored into this budget at a percentage increase of 6,25 per cent for the 2020/21 financial year and also it must be noted that there are other line items which are excluded in employee costs e.g. overtime, standby allowances, salaries temps, pension funds contributions which were not kept at 6,25 per cent increase as compared to basic salary increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R92 million for the 2020/21 financial and equates to 8 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The increase is 8.1 per cent as per NERSA Guidelines.

Table 78 : MBRR Table A6- Budgeted financial position

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A6 Budgeted Financial Position -30 June 2020

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome (BR)	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand	1										
ASSETS											
Current assets											
Cash		93,557,089	(8,226,326)	2,336,022	23,492,353	13,253,343	13,253,343	229,309,107	20,743,108	(66,887,083)	(59,691,057)
Call deposits and investments	1	-	73,232,568	74,220,699	-	-	-	120,539,246	74,220,701	74,220,701	74,220,701
Consumer debtors	1	150,435,939	186,274,333	234,438,944	15,351,057	19,966,946	19,966,946	298,186,535	332,600,818	368,413,759	399,964,377
Other debtors		91,879,407	71,273,855	62,741,225	17,219,130	16,697,391	16,697,391	73,126,997	(28,497,626)	(28,497,626)	(28,497,626)
Current portion of long-term receivables		679,653	3,453,145	3,629,831	(679,653)	(679,653)	(679,653)	3,629,831	3,629,831	3,629,831	3,629,831
Inventory	2	3,296,773	4,531,654	4,703,003	-	-	-	6,211,060	4,328,638	(5,373,672)	(5,784,390)
Total current assets		339,848,861	330,539,229	382,069,724	55,382,887	49,238,027	49,238,027	731,002,776	407,025,470	345,505,910	383,841,836
Non current assets											
Long-term receivables		-	6,654,573	6,321,123	-	-	-	6,321,123	6,321,123	6,321,123	6,321,123
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		235,787,696	186,692,600	197,751,000	-	-	-	197,751,000	197,751,000	197,751,000	197,751,000
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	1,477,264,565	1,470,940,402	1,497,038,322	81,944,260	58,481,219	58,481,219	1,478,535,150	1,521,999,906	1,517,889,291	1,472,617,143
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		354,409	354,409	763,136	1,600,000	695,652	695,652	580,273	1,016,776	580,273	580,273
Other non-current assets		8,794,434	1,636,952	1,651,952	-	-	-	1,651,952	1,651,952	1,651,952	1,651,952
Total non current assets		1,722,201,104	1,666,278,936	1,703,525,533	83,544,260	59,176,871	59,176,871	1,684,839,498	1,728,740,757	1,724,193,639	1,678,921,491
TOTAL ASSETS		2,062,049,965	1,996,818,165	2,085,595,257	138,927,147	108,414,898	108,414,898	2,415,842,274	2,135,766,227	2,069,699,549	2,062,763,327
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	10,122,005	9,994,693	8,549,698	(7,251,810)	(7,251,810)	(7,251,810)	255,968	8,398,269	8,398,269	8,398,269
Consumer deposits		23,246,860	23,108,373	29,468,118	200,000	183,194	183,194	30,601,029	29,468,119	29,468,119	29,468,119
Trade and other payables	4	162,256,974	137,896,446	137,514,931	(12,594,033)	(12,493,486)	(12,493,486)	162,122,603	140,606,345	131,592,408	119,517,409
Provisions		39,506,042	4,990,376	5,559,376	-	-	-	5,559,376	5,559,376	5,559,376	5,559,376
Total current liabilities		235,131,881	175,989,888	181,092,123	(19,645,843)	(19,562,102)	(19,562,102)	198,538,976	184,032,109	175,018,172	162,943,173
Non current liabilities											
Financial liabilities		18,318,869	11,164,223	4,790,576	9,500,000	9,808,000	9,808,000	4,790,575	8,040,575	12,681,575	12,132,575
Provisions		105,913,000	128,140,681	152,006,152	-	-	-	150,060,252	152,006,151	152,006,151	152,006,151
Total non current liabilities		124,231,869	139,304,904	156,796,728	9,500,000	9,808,000	9,808,000	154,850,827	160,046,726	164,687,726	164,138,726
TOTAL LIABILITIES		359,363,750	315,294,792	337,888,851	(10,145,843)	(9,754,102)	(9,754,102)	353,389,803	344,078,835	339,705,898	327,081,899
NET ASSETS	5	1,702,686,215	1,681,523,373	1,747,706,406	149,072,990	118,169,000	118,169,000	2,062,452,471	1,791,687,392	1,729,993,651	1,735,681,428
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,596,856,594	1,596,588,460	1,563,697,024	-	149,073,018	149,073,018	1,634,588,580	1,561,845,588	1,561,845,588	1,561,845,588
Reserves	4	105,829,621	112,917,444	112,917,444	-	-	-	112,917,444	112,917,444	112,917,444	112,917,444
TOTAL COMMUNITY WEALTH/EQUITY	5	1,702,686,215	1,709,505,904	1,676,614,468	-	149,073,018	149,073,018	1,747,506,024	1,674,763,032	1,674,763,032	1,674,763,032

Explanatory notes to Table A6 - Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non -current;
- Changes in net assets; and

- Reserves

The statement of financial position shows that the municipality is financially healthy as assets exceed liabilities.

Table 79 : MBRR A8-Cash reserves/Accumulated surplus reconciliation


KZN216 Ray Nkonyeni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	219,925	88,786	189,259	23,492	11,746	–	–	101,568	44,620	51,416
Other current investments > 90 days		(126,368)	(104)	(112,702)	0	0	–	–	(6,604)	(37,285)	(36,886)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		93,557	88,683	76,557	23,492	11,746	–	–	94,964	7,335	14,530
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	(3,250)	–	–	30,851	21,837	9,762
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(105,441)	(42,841)	(79,199)	(42,791)	(40,367)	–	–	(146,619)	(164,084)	(213,776)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(105,441)	(42,841)	(79,199)	(42,791)	(43,617)	–	–	(115,768)	(142,247)	(204,014)
Surplus(shortfall)		198,998	131,524	155,756	66,283	55,364	–	–	210,732	149,581	218,544

Table 80 : Table A7 Budgeted Cash Flows

KZN216 Ray Nkonyeni - Table A7 Budgeted Cash Flows

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			275,946	405,239	366,386	433,000	433,014	–	–	375,597	371,997	425,000
Service charges			149,566	86,931	215,044	191,471	177,919	–	–	182,399	184,689	210,110
Other revenue			103,746	88,627	77,814	29,557	44,993	–	–	48,953	51,053	53,921
Transfers and Subsidies - Operational		1	7,686	258,969	222,144	340,389	340,940	–	–	336,787	311,766	327,440
Transfers and Subsidies - Capital		1	271	86,762	215,385	117,440	116,828	–	–	90,713	80,406	96,257
Interest			93	16,845	25,043	23,824	26,698	–	–	26,291	27,474	28,710
Dividends			–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees			(449,190)	(814,242)	(906,162)	(965,636)	(1,006,750)	–	–	(964,490)	(1,021,956)	(1,082,381)
Finance charges			–	(10,284)	(2,343)	(2,500)	(3,116)	–	–	(13)	–	–
Transfers and Grants		1	–	(39,478)	(4,280)	(12,386)	(11,296)	–	–	(6,766)	(4,774)	(4,214)
NET CASH FROM/(USED) OPERATING ACTIVITIES			88,117	79,369	209,031	155,159	119,229	–	–	89,473	655	54,844
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			–	–	(92,340)	–	–	–	–	10,519	11,668	–
Decrease (increase) in non-current receivables			(7,157)	503	333	–	–	–	–	–	–	–
Decrease (increase) in non-current investments			–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets			(24)	(83,036)	(17,123)	(134,794)	(111,227)	–	–	(78,230)	(77,163)	(55,389)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(7,182)	(82,533)	(109,129)	(134,794)	(111,227)	–	–	(67,711)	(65,495)	(55,389)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			(3,453)	–	(177)	680	680	–	–	–	–	–
Borrowing long term/refinancing			119,196	–	–	9,500	10,116	–	–	3,500	8,476	7,976
Increase (decrease) in consumer deposits			23,247	3,627	2,594	200	200	–	–	–	–	–
Payments												
Repayment of borrowing			–	(5,233)	(1,744)	(7,252)	(7,252)	–	–	(250)	(585)	(634)
NET CASH FROM/(USED) FINANCING ACTIVITIES			138,990	(1,606)	674	3,128	3,744	–	–	3,250	7,891	7,342
NET INCREASE/ (DECREASE) IN CASH HELD			219,925	(4,771)	100,576	23,492	11,746	–	–	25,011	(56,948)	6,796
Cash/cash equivalents at the year begin:		2	–	93,557	88,683	–	–	–	–	76,557	101,568	44,620
Cash/cash equivalents at the year end:		2	219,925	88,786	189,259	23,492	11,746	–	–	101,568	44,620	51,416



Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- It can be seen that the cash levels of the Municipality are not stabilized over the MTREF and prior years.
- It can be seen that in 2020/21 the cash flow start to turn around and improves again.

The 2020/21 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Cash flow reflect a positive balance of R101,568 million after defraying all the expenditure for the financial year. Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded. From the table it can be seen that for the municipality is operating at a surplus.

Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2020/21 MTREF was funded as it reflect a positive balance in funding measurement. This reflects that the budget will be able to pay it expenditure for the current year and also be able to pay it obligations. It is assumed that all grants will be spend 100% and if not it is cash backed since our budget reflect a positive after all the current years expenditure paid and it liabilities.

As part of the budgeting and planning guidelines that informed the compilation of the 2020/21 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

4.6.22 Basic Service Delivery Measurement

1. Basic Service Delivery Measurement provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied both by municipality and Eskom.

4. Refuse removal is done in urban area the rural part of the municipality uses it own dump site, however, the municipality has started some programmes (skips) in some areas.

Assumptions used in preparation of the budget over the MTREF

Table 81: Collection and Expenditure Rates

Property rates	98%
Penalties and Collection Charges	95%
Electricity	95%
Refuse Removal	95%
Rental of facilities	95%
Interest earned in investment	100%
Interest earned on outstanding debts	95%
Fines	6.92%
Licenses and Permits	95%
Agency Fees	100%
Transfers and Grants – operational	100%
Transfers and Grants – Capital	100%
Other revenue	80%
Expenditure	
Employee related cost	100%
Remuneration of councilors	100%
Debt impairment	100%
Bulk Purchases	95%
Finance Charges	100%
Contracted services	95%
Transfers and Grants	100%
Other Expenditure	90%
Oher Material	98%

Capital performance =100%

Year-end accruals =10% of total operating budget

=15% of capital budget

Provisions =10%

Supporting Documentation

4.6.23 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.



The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

4.6.21.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2019. Key dates applicable to the process were:

- July 2019 – Prepare joint process plan for IDP, PMS and Budget
- August 2019–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process;
- September 2019– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF.
- Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;
- October 2019 – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;
- November 2019–Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee/Rep Forum for in principle approval;
- December 2019 – Submit budget instructions and 2019/20 budget framework to all relevant persons. Preparation of summary of available funds (internal and external);
- January 2020 - Council considers the 2019/2020 Mid-year Review and Adjustments Budget;
- February 2020– Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;
- March 2020 - Tabling in Council of the draft 2020/21 IDP and 2017/18 Draft MTREF for public consultation;
- April 2020– Public consultation;



- June 2018—Finalisation and adoption of the 2020/21 IDP and 2017/18 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and tabling of the 2020/21 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. These are the IDP and Budget process schedule for individual municipalities and both municipalities did not deviate from processes.

4.6.22.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fifth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/21 budget, based on the approved 2019/20 Budget, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2020/21 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

4.6.23 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2020/21 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 budget:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends



- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 99 has been taken into consideration in the planning and prioritisation process.

4.6.24 Community Consultation

The Table 2020/21 Budget as tabled before Council on 25 March 2020 for community consultation has been published on the municipality's website and hard copies has been made available at municipal offices and other community centres. In addition budget road shows will held in different municipal clusters. Inputs were also collected via suggestion box and e-mails.

All documents in the appropriate format (electronic and printed) will provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during April. The applicable dates and venues were published in the local newspapers. Imbizo's will be held to further ensure transparency and interaction. Other stakeholders involved in the consultation will include churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the 2020/21 final budget.

4.12.15.1 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents.

The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a



strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality's strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Development Plan (NDP)
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's six strategic objectives for the 2020/21 Budget and further planning refinements that have directly informed the compilation of the budget.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.



In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity.

It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2020/21 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



KZN216 Ray Nkonyeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Table 82 : Reconciliation of IDP Strategic Objectives and Budget

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Good Governance and Public Participation	Clean administrati on & sound public participation						105,758	105,758	105,758	120,850	127,376	134,382
Basic Service delivery and Infrastructure	Electricity, Roads , Housing and accelerate capital expenditure						–	–	–			
							–	–	–			
							225,018	225,018	225,018	226,684	238,925	252,066
Local Ecoomic Development	Youth empowerment,LED strategy,su pporting SMMEs						–	10,443	10,443	6,698	7,060	7,448
							8,272	8,272	8,272	7,550	7,958	8,395
							–	–	–			
							–	–	–			
							–	–	–			



Municipal Financial Viability and Management	Sound financial management		2				404,440	404,440	404,440	404,757	426,614	450,078
							—	—	—			
Municipal Transformation and Organisational Development	Health hygienically safe environment						64,059	64,059	64,059	22,814	24,046	25,369
	Public Safety						26,729	26,729	26,729	128,995	135,961	143,439
Cross Cutting Issues	Community Facilities						12,575	12,575	12,575	26,493	27,924	29,459
							88,607	88,607	88,607	91,617	91,617	91,617
							91,617	91,617	91,617	132,034	147,801	160,969
Allocations to other priorities			1									
Total Revenue (excluding capital transfers and contributions)				—	—	—	1,027,075	1,037,518	1,037,518	1,168,493	1,235,281	1,303,222

Table 83 : SA 8 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

KZN to Ray Khanyeni - Supporting Table SA6 Performance Indicators and Benchmarks											
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.0%	1.5%	0.4%	1.0%	1.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Capital Charges to Operating Expenditure		0.0%	2.6%	0.6%	1.4%	1.4%	0.0%	0.0%	0.0%	0.1%	0.1%
Capital Charges to Own Revenue		Finance charges & Repayment of borrowing /Own Revenue	0.0%	2.6%	0.6%	1.4%	1.4%	0.0%	0.0%	0.0%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	476316.3%	0.0%	-1.1%	4.1%	4.6%	0.0%	0.0%	2.0%	4.5%	8.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	17937.8%	17123.0%	17073.8%	0.0%	0.0%	0.0%	0.0%	94.8%	98.9%	98.4%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	-	-	2.2	2.0	2.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	-	-	2.2	2.0	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.5	0.4	(1.2)	(0.6)	-	-	0.5	0.0	0.1
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		94.2%	89.1%	100.4%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.8%	89.0%	100.3%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%	87.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	42.0%	22.8%	24.6%	3.0%	3.3%	0.0%	0.0%	29.1%	32.1%	33.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		53.0%	163.7%	71.7%	-53.6%	-68.5%	0.0%	0.0%	105.8%	240.9%	209.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	53.7%	43.2%	44.7%	36.4%	38.1%	0.0%	0.0%	39.7%	41.9%	42.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	3.8%	4.5%	0.0%	0.0%	4.9%	7.9%	4.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	17.4%	13.5%	5.1%	5.1%	0.0%	0.0%	8.5%	8.5%	8.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.3	22.3	21.1	20.9	20.9	20.9	-	26.5	26.5	27.7
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	43.3%	34.0%	36.0%	5.0%	5.4%	0.0%	0.0%	45.7%	48.9%	51.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.9	1.3	2.8	0.3	0.2	-	-	1.4	0.6	0.6

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days

Monthly fixed operational expenditure

Fixed operational expenditure % assumption

Own capex

Borrowing

31,940	67,510	67,578	72,162	74,595	-	-	73,868	77,730	81,486
40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
24	83,036	16,529	249,877	236,665	-	-	179,142	187,622	89,184
115,743	-	(177)	10,180	10,796	-	-	3,500	8,476	7,976



Table 84 : Investment Particulars

KZN216 Ray Nkonyeni - Supporting Table SA15 Investment particulars by type

2016/17 2017/18 2018/19

Current Year 2019/20

2020/21 Medium Term Revenue & Expenditure Framework

Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		66,888	37,144	60,317	146,068	146,068	129,041	74,221	14,669	29,060
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	66,888	37,144	60,317	146,068	146,068	129,041	74,221	14,669	29,060



Port Shepstone Beach



Table 85: SA 19 Grants and Subsidies expenditure

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA19 Expenditure on Transfers and Grant- 30 June 2021										
Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand										
EXPENDITURE										
Operating										
National Government										
Equitable Share			782,165,597	213,706,078	204,675,700	221,875,098	221,875,098	263,923,042	279,854,467	295,417,915
Energy Efficiency and Demand Side Management			464,457		80,000	80,000	80,000			
Expanded Public Works Programme Integrated Grant				4,424,854	4,405,000	5,147,399	5,147,399	4,755,664	5,030,957	5,322,313
Local Government Financial Management Grant			3,296,485	3,242,445	2,500,000	2,679,079	2,679,079	2,046,504	1,461,129	1,561,825
Municipal Demarcation and Transition Grant [Schedule 5B]			519	542,850		311,072	311,072			
Municipal Disaster Grant								1,108,000		
Municipal Infrastructure Grant			159,686	1,746,266	5,745,000					
Municipal Systems Improvement Grant			1,136,065							
Total National Government		-	787,222,809	223,662,493	217,405,700	230,092,648	230,092,648	271,833,210	286,346,553	302,302,053
Provincial Government										
Infrastructure					107,153,000	91,881,883	91,881,883	86,480,414	91,669,239	97,169,393
Capacity Building and Other					12,783,412	13,035,673	13,035,673	14,230,003	15,080,354	15,981,567
Accreditation of Municipalities			4,226,365							
Community Library Services Grant			1,521,514							
Housing				48,252,653						
Human Settlement Capacity Grant			34,020,371							
Libraries, Archives and Museums				11,246,788						
Provincialisation of Libraries			10,248,663							
Town Planning Grant				297,840						
Total Provincial Government		-	50,016,903	59,797,281	119,936,412	104,917,556	104,917,556	100,710,417	106,749,593	113,150,960
District Municipalities										
Community and Social Services				139,695						
Total District Municipalities		-	-	139,695	-	-	-	-	-	-
Total Operating		-	837,239,712	283,599,469	337,342,112	335,010,204	335,010,204	372,543,627	393,096,146	415,453,013
Capital										
National Government										
Energy Efficiency and Demand Side Management Grant					6,886,956	6,886,956	6,886,956		4,250,000	5,950,000
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]					7,826,088	7,826,088	7,826,088	7,650,005		
Integrated Urban Development Grant								55,941,021	16,999,994	9,350,000
Municipal Infrastructure Grant			45,006,619	50,906,402	64,604,349	61,561,735	61,561,735	255,000	48,704,986	18,954,991
Neighbourhood Development Partnership Grant					8,695,652			4,250,004	4,250,004	4,250,004
Urban Settlement Development Grant			213,350							
Total National Government		-	45,219,969	50,906,402	88,013,045	76,274,779	76,274,779	68,096,030	74,204,984	38,504,995
Provincial Government										
Infrastructure					6,086,956	2,608,696	2,608,696	3,400,001		
Capacity Building and Other					347,826	347,826	347,826	75,002		
Housing				2,680,208						
Rural Development Grant				7,012,592						
Total Provincial Government		-	-	9,692,800	6,434,782	2,956,522	2,956,522	3,475,003	-	-
Total Capital		-	45,219,969	60,599,202	94,447,827	79,231,301	79,231,301	71,571,033	74,204,984	38,504,995
TOTAL		-	882,459,681	344,198,671	431,789,939	414,241,505	414,241,505	444,114,660	467,301,130	453,958,008



Table 86:SA 20 Reconciliation of tranfers, grants and unspent funds

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA20 Reconciliation of transfers, grants receipts and unspent funds fo- 30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Operating Transfers and Grants:										
National Government:										
Opening Balance		-	-	-	-	-	-	(310,863)	(310,863)	(310,863)
Receipts		-	-	(14,716,000)	(6,905,000)	(6,905,000)	(6,905,000)	(5,949,000)	(1,999,996)	(1,999,998)
Transferred to Revenue/Capital Expenditure		-	-	14,405,137	6,905,000	12,599,453	12,599,453	1,999,998	1,999,998	1,999,998
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	-	(310,863)	-	5,694,453	5,694,453	(4,259,865)	(310,861)	(310,863)
Provincial Government:										
Opening Balance		-	(26,475,235)	(6,232,019)	-	-	-	(27,890,165)	(27,890,165)	(27,890,165)
Receipts		-	-	(3,250,000)	(18,374,000)	(18,374,000)	(18,374,000)	(16,724,000)	(17,162,995)	(17,706,997)
Transferred to Revenue/Capital Expenditure		-	-	579,196	18,374,000	18,374,000	18,374,000	18,040,000	14,457,003	14,980,999
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	(26,475,235)	(8,902,823)	-	-	-	(26,574,165)	(30,596,157)	(30,616,163)
District Municipality:										
Opening Balance		-	-	-	-	-	-	-	-	-
Receipts		-	-	-	-	-	-	-	-	-
Transferred to Revenue/Capital Expenditure		-	-	-	-	-	-	-	-	-
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	-	-	-	-	-	-	-	-
Other grant providers:										
Opening Balance		-	-	-	-	-	-	-	-	-
Receipts		-	-	(450,000)	(2,348,712)	(2,348,712)	(2,348,712)	-	-	-
Transferred to Revenue/Capital Expenditure		-	-	450,000	2,348,712	2,548,713	2,548,713	1,298,715	1,363,648	1,438,646
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	-	-	-	200,001	200,001	1,298,715	1,363,648	1,438,646
Total Operating Transferred to Revenue/Capital Expenditure		-	-	15,434,333	27,627,712	33,522,166	33,522,166	21,338,713	17,820,649	18,419,643
Total Operating Transfers and Grants - Closing Balance		-	(26,475,235)	(9,213,686)	-	5,894,454	5,894,454	(29,535,315)	(29,543,370)	(29,488,380)
Capital Transfers and Grants:										
National Government:										
Opening Balance		-	(1)	(1)	-	-	-	(1)	(1)	(1)
Receipts		-	-	(74,317,000)	(107,040,000)	(107,040,000)	(107,040,000)	(79,313,000)	(75,406,003)	(79,256,991)
Transferred to Revenue/Capital Expenditure		-	-	74,317,000	107,040,000	97,795,000	97,795,000	79,312,992	80,405,997	96,256,996
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	(1)	(1)	-	(9,245,000)	(9,245,000)	(9)	4,999,993	17,000,004
Provincial Government:										
Opening Balance		-	-	(18,366,387)	-	-	-	-	-	-
Receipts		-	25,285	(895,957)	(10,400,000)	(10,399,667)	(10,399,667)	(92,861,411)	(54,241,000)	(58,613,005)
Transferred to Revenue/Capital Expenditure		-	1,871,130	275,002	10,400,000	13,649,666	13,649,666	91,545,421	56,947,000	61,339,003
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	1,896,415	(18,987,342)	-	3,249,999	3,249,999	(1,315,990)	2,706,000	2,725,998
District Municipality:										
Opening Balance		-	-	-	-	-	-	-	-	-
Receipts		-	-	-	-	-	-	-	-	-
Transferred to Revenue/Capital Expenditure		-	-	-	-	-	-	-	-	-
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	-	-	-	-	-	-	-	-
Other grant providers:										
Opening Balance		-	-	-	-	-	-	-	-	-
Receipts		-	-	-	(1,000,000)	-	-	-	-	-
Transferred to Revenue/Capital Expenditure		-	-	-	1,000,000	-	-	-	-	-
Re-payment of Unspent Grant		-	-	-	-	-	-	-	-	-
Closing Balance		-	-	-	-	-	-	-	-	-
Total Capital Transferred to Revenue/Capital Expenditure		-	1,871,130	74,592,002	118,440,000	111,444,666	111,444,666	170,858,413	137,352,997	157,595,999
Total Capital Transfers and Grants - Closing Balance		-	1,896,414	(18,987,343)	-	(5,995,001)	(5,995,001)	(1,315,999)	7,705,993	19,726,002
Total Transferred to Revenue/Capital Expenditure		-	1,871,130	90,026,335	146,067,712	144,966,832	144,966,832	192,197,126	155,173,646	176,015,642
Total Transfers and Grants - Closing Balance		-	(24,578,821)	(28,201,029)	-	(100,547)	(100,547)	(30,851,314)	(21,837,377)	(9,762,378)



Table 87:SA 21 Grant and Subsidy made by the Municipality

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA21 Transfers and Grants made by the municipality -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand										
Cash Transfers and Grants										
Cash Transfers to Organisations										
Private enterprises			350,364	751,761	4,760,000	4,769,999	4,769,999	1,000,009	2,780,000	2,240,007
Total Cash Transfers to Organisations		-	350,364	751,761	4,760,000	4,769,999	4,769,999	1,000,009	2,780,000	2,240,007
Cash Transfers to Groups of Individuals										
Households			2,366,707	1,018,536	670,000	670,000	670,000	650,001	650,001	650,001
Total Cash Transfers to Groups of Individuals		-	2,366,707	1,018,536	670,000	670,000	670,000	650,001	650,001	650,001
Total Cash Transfers and Grants		-	2,717,071	1,770,297	5,430,000	5,439,999	5,439,999	1,650,010	3,430,001	2,890,008
Non-Cash Transfers and Grants										
Non-Cash Transfers to Other Organs of State										
Departmental agencies and accounts				101,468	100,000	100,000	100,000	50,009	50,004	50,004
Total Non-Cash Transfers to Other Organs of State		-	-	101,468	100,000	100,000	100,000	50,009	50,004	50,004
Non-Cash Transfers to Groups of Individuals										
Households			36,409,092	2,706,699	7,170,700	6,475,700	6,475,700	3,750,010	4,230,006	4,230,006
Total Non-Cash Transfers to Groups of Individuals		-	36,409,092	2,706,699	7,170,700	6,475,700	6,475,700	3,750,010	4,230,006	4,230,006
Total Non-Cash Transfers and Grants		-	36,409,092	2,808,167	7,270,700	6,575,700	6,575,700	3,800,019	4,280,010	4,280,010
TOTAL		-	39,126,163	4,578,464	12,700,700	12,015,699	12,015,699	5,450,029	7,710,011	7,170,018

Table 88: SA 22 Councillors and stuff benefits

KZN216 Ray Nkonyeni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Councillors (Political Office Bearers plus Other)	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		(8,329)	21,438	24,300	26,026	26,026	-	27,327	29,380	30,997
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	2,600	-	-	-	-	-	-	-
Cellphone Allowance		-	1,916	3,060	2,897	2,897	-	3,042	3,270	3,450
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		(8,329)	25,954	27,360	28,922	28,922	-	30,368	32,650	34,447
Other Municipal Staff										
Basic Salaries and Wages		192,637	285,655	290,148	317,898	322,057	-	338,311	358,761	380,122
Pension and UIF Contributions		1,200	5,954	1,953	1,945	2,015	-	2,129	2,257	2,392
Medical Aid Contributions		12,487	16,192	16,922	9,903	21,927	-	32,890	34,864	36,955
Overtime		15,131	18,909	18,538	16,211	15,460	-	11,123	12,461	13,134
Performance Bonus		20,348	21,154	24,465	20,274	22,416	-	24,048	25,491	27,021
Motor Vehicle Allowance	3	10,851	13,534	13,656	13,431	16,269	-	17,115	18,142	19,231
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	2,480	3,236	3,175	3,197	3,410	-	3,674	3,894	4,128
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		155	993	5,891	-	-	-	-	-	-
Long service awards		993	3,652	4,023	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	13,361	-	-	-	-	-	-
Sub Total - Other Municipal Staff		256,281	369,278	392,131	382,859	403,554	-	429,291	455,870	482,983
% increase	4		44.1%	6.2%	(2.4%)	5.4%	(100.0%)	-	6.2%	5.9%
Total Parent Municipality		247,952	395,232	419,491	411,781	432,476	-	459,660	488,521	517,430
			59.4%	6.1%	(1.8%)	5.0%	(100.0%)	-	6.3%	5.9%



Explanatory notes to Table SA22 Councillors and Staff Benefits

1. The remuneration of councillors and staff are as per the councillor's upper limit approved by the MEC and staff as per SALGA respective.

12.21 Debt Management

The following tables and graph show the different types of debtors within the municipality.

4.6.26 DEBTORS PER CATEGORY - 30 JUNE 2020

4.6.26.1 Capital projects

Capital projects within the municipality have been budgeted for and fall under the Technical Services Department. Following is a detailed table of these projects:



Tarred Road in Gcilima



Table 89: SA 36 List of Capital Projects

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA36 Detailed Capital Budget (projects)

CAPITAL ASSET	2020/21	2021/22	2022/23
Marburg Motor Mechanic Workshop	8,940,882.00	9,917,974.00	-
Roads:NOSITHA MAIN ROAD	5,354,998.00	-	-
Roads:ROAD REHABILITATION PHASE 7 (GRAVEL)	5,099,996.00	-	-
Road Reseals	4,250,004.00	6,800,002.00	6,800,002.00
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (WARD 18)	4,250,004.00	4,250,004.00	4,250,004.00
Electrification Projects (ward 30 31 33 34 35 & 36)	4,250,004.00	-	-
Izotsha Memorial Park Crematorium	3,400,001.00	-	-
Meter replacement DBSA funded	3,000,000.00	2,000,000.00	2,000,000.00
ROADS URBAN STORMWATER	2,550,004.00	1,274,999.00	1,274,999.00
LOUISIANA RING ROAD (WARD 15)	2,549,998.00	5,949,999.00	850,003.00
Roads:TARRING OF JESUS ROAD	2,549,998.00	-	-
Electrification ward 13	2,549,998.00	-	-
Halls:WARD 34 COMMUNITY HALL	1,699,995.00	-	-
Halls:COMMUNITY HALL WARD 33	1,699,995.00	-	-
Outdoor Facilities:Upgrade of Vusushaba Sportsfield ward 4	1,699,995.00	-	-
Roads:SMITH STREET	1,699,995.00	-	-
Road Structures:KAWUSENI PEDESTRIAN BRIDGE (SHIBE TO MVOLOMI SCHOOL)	1,699,995.00	-	-
BULK ELECTRICAL SUPPLY TO NEW DEVELOPMENTS (WITHIN DISTRIBUT	1,274,999.00	1,274,999.00	1,274,999.00
2019 RATIONALISATION OF OFFICE SPACE (P/SHEPSTONE & UVONGO)	1,274,999.00	424,996.00	-
Mbeni retention deposit	1,274,999.00	-	-
Halls:Ward 36 Nkulu community hall	1,274,999.00	-	-
Halls:WARD 5 COMMUNITY HALL	1,274,999.00	-	-
Halls:DUMEZULU COMMUNITY HALL Phase 2	1,274,999.00	-	-
Road Structures:ESIDLIDLINI PEDESTRIAN BRIDGE (DLOVINGA)	1,274,999.00	-	-
Outdoor Facilities:OUTDOOR GYM FACILITIES	1,201,046.00	-	-
Road Structures:MBHECUKA VEHICULAR BRIDGE WARD 29	1,190,002.00	-	-
Roads:NGQUMBELA ROAD AND CAUSEWAY WARD 7	1,190,002.00	-	-
Road Structures:NTSHOMELA PEDESTRIAN BRIDGE (SGODANENI)	1,190,002.00	-	-
Road Structures:MAQOBO PEDESTRIAN BRIDGE (LINKS WARDS 8 & 9)	1,190,002.00	-	-
Road Structures:MSIKABA VEHICULAR (WARD 25)	1,019,997.00	-	-
Roads:CONCRETING OF CHIBINI ROAD (WARD 26)	1,019,997.00	-	-



Electricity Meter Replacement	1,000,000.00	-	-
REHAB OF COLLEGE ROAD SOUTHBRROM WARD 2	850,003.00	1,699,995.00	-
Rural Stormwater (IUDG)	850,003.00	1,274,999.00	1,699,995.00
WASTE MANAGEMENT DEPOT ABLUTION FACILITIES	850,003.00	1,274,999.00	1,274,999.00
Road Structures:MBILI PEDESTRIAN BRIDGE WARD 22	850,003.00	-	-
Road Structures:BANANA BEACH PEDESTRIAN (WARD 16)	850,003.00	-	-
Road Structures:BAR TO NGWEMABALA PEDESTRIAN BRIDGE WARD 24	850,003.00	-	-
Road Structures:MNGANKA VEHICULAR BRIDGE WARD 20	850,003.00	-	-
Road Structures:MCADODO TO THUNDEZA WALKWAY/PEDESTRIAN BRIDGE WARD 11	850,003.00	-	-
Dick King Parking Fencing (internal funded)	850,003.00	-	-
Road Structures:KWASITHOLE PEDESTRIAN BRIDGE (WARD 21)	850,003.00	-	-
Road Structures:MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14	850,003.00	-	-
ENERGY MINI SUB STATION REPLACEMENT	850,000.00	850,003.00	850,003.00
ENERGY INTER SWITCHES REPLACEMENT	850,000.00	850,003.00	850,003.00
STREET CLEANING TOOLS AND MACHINERY	800,000.00	-	-
BEACH FACILITIES REFUBRISHMENT	700,000.00	679,998.00	679,998.00
NOSITHA PEDESTRIAN BRIDGE REFURBISHMENT WARD 27	679,998.00	-	-
Electrification ward 8 (remedial work)	510,004.00	-	-
Machinery and Equipment: REFUSE SKIPS	500,000.00	-	-
BEACH MANANGEMENT - Machinery and Equipment	450,000.00	-	-
Control Room Software	436,503.00	-	-
Margate hall reconstruction ward 2	425,000.00	-	-
OFFICE WATER TANKS	424,999.00	1,274,999.00	1,274,999.00
Ngwabe pedestrian bridge ward 20	424,996.00	1,274,999.00	-
MLONGWANA COMBO COURT REFURBISHMENT WARD 5	424,996.00	-	-
Road Structures:MAZUBANE/DIKWE PEDESTRIAN BRIDGE WARD 20	424,996.00	-	-
Road Structures:QASHELA TO MUNGA PEDESTRIAN BRIDGE WARD 33	424,996.00	-	-
Road Structures:MAZUBANE PEDESTRIAN BRIDGE (WARD 21)	424,996.00	-	-
WARD 5 WALKWAYS	424,996.00	-	-
WARD 28 WALKWAYS AND GUARDRAILS (THEMBA NGUBELANGA AND FEZIL	424,996.00	-	-
Electrification ward 21	339,999.00	-	-
Merlewood streerlights	339,999.00	-	-
TOWN PLANNING COMPUTER ASSETS	300,003.00	-	-
Machinery and Equipment (100)	300,000.00	-	-



MUNICIPAL PARKING	299,998.00	-	-
Public Open Space:COMMUNITY PARK (WHITE CITY PROTEA PARK)	255,002.00	-	-
Halls:Bhosiki Hall Phase 2 - Parking and stormwater ward 36	255,002.00	-	-
Road Structures:MJWENI PEDESTRIAN BRIDGE (WARD 8)	255,002.00	-	-
PEDESTRIAN BRIDGE EXTENSION 3 WARD 6	255,002.00	-	-
WARD 12 PEDESTRIAN BRIDGE (OVER SUGER MILL ROAD)	255,002.00	-	-
Drainage Collection:FEZILE MKHWANAZI STORMWATER	255,002.00	-	-
ENERGY MINI SUB HOUSING COVERS	255,000.00	255,002.00	255,002.00
GENERATOR	242,498.00	-	-
Drainage Collection:ACACIA ROAD STORMWATER -SEAPARK	170,005.00	-	-
Machinery and Tools	90,002.00	-	-
Halls:COMMUNITY HALL WARD 30	84,997.00	-	-
Halls:COMMUNITY HALL WARD 9	84,997.00	-	-
STREET CLEANSING COMPUTER ASSETS	80,000.00	-	-
Navigational Radios	60,005.00	-	-
CONCRETE BINS	50,000.00	-	-
Refurbishment of Drop off centre/ recycling bins	50,000.00	-	-
ASSET MANAGEMENT COPMUTER ASSETS	49,995.00	-	-
Computer Equipment	45,000.00	-	-
SOLID WASTE TOOLS AND MACHINERY	40,000.00	-	-
EXPENDITURE COMPUTER ASSETS	39,996.00	-	-
GENERATOR (380)	29,098.00	-	-
LAPTOP AND PRINTER	25,002.00	-	-
ROADS ROAD REHABILITATION PHASE 7	-	7,650,005.00	8,499,997.00
Energy Efficiency DSM	-	4,250,000.00	5,950,000.00
MEMORIAL & REYNOLDS SW/STA REFURB & REPLACE SWITCHGEAR	-	3,476,000.00	3,476,000.00
2019 RATIONALISATION OF OFFICE SPACE (UVONGO)	-	2,549,998.00	4,250,004.00
DUMEZULU COMMUNITY HALL Phase 2	-	2,549,998.00	850,003.00
SPORTSFIELD MBENI (WARD 31)	-	2,549,998.00	595,001.00
Ward 36 Nkulu community hall (MIG Funding)	-	2,549,998.00	424,996.00
Upgrade of Vusushaba Sportsfield ward 4	-	2,549,998.00	424,996.00
MVUZANE ROAD AND VEHICULAR BRIDGE WARD 14	-	2,549,998.00	424,996.00
MCADODO TO THUNDEZA WALKWAY/PEDESTRIAN BRIDGE WARD 11	-	2,125,002.00	850,003.00
ROADS NGCAWUSHENI PEDESTRIAN BRIDGE	-	2,125,002.00	850,003.00



MBILI PEDESTRIAN BRIDGE WARD 22	-	2,125,002.00	424,996.00
BAR TO NGWEMABALA PEDESTRIAN BRIDGE	-	2,125,002.00	424,996.00
ROADS KWASITHOLE PEDESTRIAN BRIDGE	-	2,125,002.00	424,996.00
MSIKABA VEHICULAR (WARD 25)	-	2,125,002.00	-
NGQUMBELA ROAD AND CAUSEWAY	-	1,699,995.00	850,003.00
CONCRETING OF CHIBINI ROAD (WARD 26)	-	1,699,995.00	850,003.00
ROADS NOSITHA MAIN ROAD	-	1,699,995.00	-
MBHECUKA VEHICULAR BRIDGE WARD 29	-	1,274,999.00	850,003.00
ROADS NTSHOMEA PEDESTRIAN BRIDGE	-	1,274,999.00	424,996.00
ROADS ESIDLIDLINI PEDESTRIAN BRIDGE	-	1,274,999.00	424,996.00
ROADS MAQOBO PEDESTRIAN BRIDGE	-	1,274,999.00	255,002.00
MAZUBANE/DIKWE PEDESTRIAN BRIDGE WARD 20	-	1,274,999.00	-
ROADS JESUS ROAD	-	1,274,999.00	-
Inter switch replacements DBSA funded	-	1,000,000.00	1,000,000.00
Mini sub replacement DBSA funded	-	1,000,000.00	1,000,000.00
Cable Replacement DBSA funded	-	1,000,000.00	500,000.00
OUTDOOR GYM FACILITIES (PER CLUSTER)	-	850,003.00	850,003.00
ROADS MAZUBANE PEDESTRIAN BRIDGE	-	850,003.00	-
BANANA BEACH PEDESTRIAN (WARD 16)	-	424,996.00	-
MNGANKA VEHICULAR BRIDGE	-	424,996.00	-
WARD 34 COMMUNITY HALL (MIG Funding)	-	-	-
ROADS SMITH STREET	-	-	-
ROADS RURAL STORMWATER MIG	-	-	-
MUNICIPAL MANAGER FURNITURE AND EQUIPMENT	-	-	-
	98,630,018.00	103,053,952.00	58,210,999.00



Table 90: Asset Management

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table A9 Asset Management -30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand	N									
CAPITAL EXPENDITURE										
Total New Assets	1	-	62,742,904	8,964,894	114,333,391	96,731,219	96,731,219	81,939,008	78,342,953	34,849,985
Roads Infrastructure			10,544,218	13,573,944	35,043,480	30,532,126	30,532,126	33,965,002	42,499,985	14,704,998
Storm water Infrastructure			9,484,605	56,473	7,691,304	5,085,895	5,085,895	3,825,014	2,549,998	2,974,994
Electrical Infrastructure			2,263,519	3,412,105	26,626,087	23,930,436	23,930,436	14,115,003	6,375,002	8,074,995
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure					1,739,130					
Information and Communication Infrastructure										
Infrastructure		-	22,292,342	17,042,522	71,100,001	59,548,457	59,548,457	51,905,019	51,424,985	25,754,987
Community Facilities			32,906,721	13,915,886	21,029,027	24,572,740	24,572,740	7,904,985	5,099,996	1,274,999
Sport and Recreation Facilities			3,758,193	748,760	1,739,130	608,695	608,695	2,974,994	5,099,996	1,019,997
Community Assets		-	36,664,914	14,664,646	22,768,157	25,181,435	25,181,435	10,879,979	10,199,992	2,294,996
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings			1,082,138	563,396	11,611,304	3,391,307	3,391,307	15,365,891	16,717,976	6,800,002
Housing				7,012,592						
Other Assets		-	1,082,138	7,575,988	11,611,304	3,391,307	3,391,307	15,365,891	16,717,976	6,800,002
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					1,600,000	695,652	695,652	436,503		
Intangible Assets		-	-	-	1,600,000	695,652	695,652	436,503	-	-
Computer Equipment			630,610	(7,787,360)	2,736,467	3,795,286	3,795,286	600,010		
Furniture and Office Equipment			1,340,681	(12,947,671)	1,936,056	1,550,330	1,550,330	1		
Machinery and Equipment			732,219	(8,740,191)	2,581,406	2,568,752	2,568,752	2,751,605		
Transport Assets				(843,040)						
Land										
Zoo's, Marine and Non-biological Animals										
Total Renewal of Existing Assets	2	-	11,539,294	12,335,408	8,869,565	6,782,608	6,782,608	10,814,983	12,834,998	10,709,989
Roads Infrastructure			11,690,911	11,896,112	6,086,956	6,086,956	6,086,956	8,159,987	10,624,999	8,499,997
Storm water Infrastructure										
Electrical Infrastructure			(151,617)	439,296	1,565,218			1,105,000	1,530,001	1,529,994
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure					695,652	695,652	695,652	700,000	679,998	679,998
Information and Communication Infrastructure										
Infrastructure		-	11,539,294	12,335,408	8,347,826	6,782,608	6,782,608	9,964,987	12,834,998	10,709,989
Community Facilities								425,000		
Sport and Recreation Facilities								424,996		
Community Assets		-	-	-	-	-	-	849,996	-	-
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings					521,739					
Housing										
Other Assets		-	-	-	521,739	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										



Total Upgrading of Existing Assets	6	-	4,555,243	9,999,404	11,591,304	6,913,044	6,913,044	5,876,046	3,824,997	5,100,007
Roads Infrastructure			778,989	1,258,612	260,870	660,869	660,869			
Storm water Infrastructure										
Electrical Infrastructure			2,847,382							
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	3,626,371	1,258,612	260,870	660,869	660,869	-	-	-
Community Facilities				2,844,372	9,521,739	4,182,609	4,182,609	4,675,000	2,974,994	4,250,004
Sport and Recreation Facilities			928,872	5,896,420	1,739,130	2,000,001	2,000,001	1,201,046	850,003	850,003
Community Assets		-	928,872	8,740,792	11,260,869	6,182,610	6,182,610	5,876,046	3,824,997	5,100,007
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings					69,565	69,565	69,565			
Housing										
Other Assets		-	-	-	69,565	69,565	69,565	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Land										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure	4	-	78,837,441	31,299,706	134,794,260	110,426,871	110,426,871	98,630,037	95,002,948	50,659,981
Roads Infrastructure			23,014,118	26,728,668	41,391,306	37,279,951	37,279,951	42,124,989	53,124,984	23,204,995
Storm water Infrastructure			9,484,605	56,473	7,691,304	5,085,895	5,085,895	3,825,014	2,549,998	2,974,994
Electrical Infrastructure			4,959,284	3,851,401	28,191,305	23,930,436	23,930,436	15,220,003	7,905,003	9,604,989
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure					2,434,782	695,652	695,652	700,000	679,998	679,998
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	37,458,007	30,636,542	79,708,697	66,991,934	66,991,934	61,870,006	64,259,983	36,464,976
Community Facilities			32,906,721	16,760,258	30,550,766	28,755,349	28,755,349	13,004,985	8,074,990	5,525,003
Sport and Recreation Facilities			4,687,065	6,645,180	3,478,260	2,608,696	2,608,696	4,601,036	5,949,999	1,870,000
Community Assets		-	37,593,786	23,405,438	34,029,026	31,364,045	31,364,045	17,606,021	14,024,989	7,395,003
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings			1,082,138	563,396	12,202,608	3,460,872	3,460,872	15,365,891	16,717,976	6,800,002
Housing				7,012,592						
Other Assets		-	1,082,138	7,575,988	12,202,608	3,460,872	3,460,872	15,365,891	16,717,976	6,800,002
Biological or Cultivated Assets										
Servitudes										
Licences and Rights					1,600,000	695,652	695,652	436,503		
Intangible Assets		-	-	-	1,600,000	695,652	695,652	436,503	-	-
Computer Equipment			630,610	(7,787,360)	2,736,467	3,795,286	3,795,286	600,010		
Furniture and Office Equipment			1,340,681	(12,947,671)	1,936,056	1,550,330	1,550,330	1		
Machinery and Equipment			732,219	(8,740,191)	2,581,406	2,568,752	2,568,752	2,751,605		
Transport Assets				(843,040)						
Land										
Zoo's, Marine and Non-biological Animals										
TOTAL CAPITAL EXPENDITURE - Asset Class		-	78,837,441	31,299,706	134,794,260	110,426,871	110,426,871	98,630,037	95,002,948	50,659,981

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class. Should be 8 per cent of PPE. However due to the fact that there is a lack of infrastructure in the municipality major part of funds are injected to new capital projects, it does not meet this recommendation and funds are directed to new and renewal of capital asset and 3.2% to repairs and maintenance.



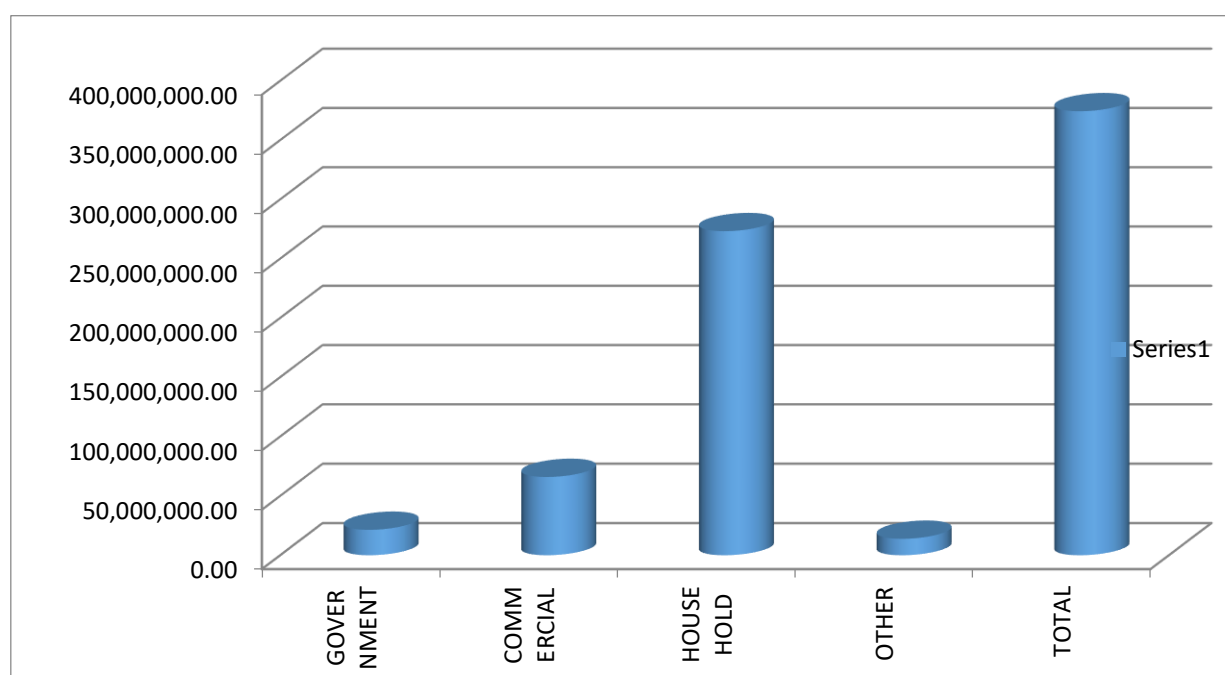
The following table and graph show the different types of the capital budget to the renewal of existing assets, and National Treasury has recommended that municipalities should allocate at least 40 per cent of allocations to repairs and maintenance debtors within the municipality.

Table 91: Debtors per type 30 April 2020

GOVERNMENT	21,406,921.47
COMMERCIAL	65,921,639.43
HOUSEHOLD	273,165,739.86
OTHER	13,853,781.05
TOTAL	374,348,081.81

Source; Ray Nkonyeni Municipal Treasury 2020

Graph: Debtors per-type 30 APRIL 2020



Source; Ray Nkonyeni Municipal Treasury 2020

4.6.27 Basic Service Delivery Measurement

1. Basic Service Delivery Measurement provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality does not provide services such as water, sanitation, energy.
3. Water and sanitation is provided by Ugu District municipality, energy is supplied both by municipality and Eskom.



4. Refuse removal is done in urban area the rural part of the municipality uses it own dump site.

4.6.28 Municipal Strategic Objectives

1. Municipal Transformation and Organisational Development

- i. To foster effective and efficient Inter-Governmental Relations (IGR)
- ii. To ensure on-going human resource development
- iii. To attract and retain skilled employees
- iv. To be an innovative organisation with improved performance

2. Basic Service Delivery and Infrastructure

- i. To ensure existing infrastructure is maintained and improved.
- ii. To provide access to basic services
- iii. To extend the provision of basic services and infrastructure to rural areas.
- iv. To improve delivery of capital projects through investment in infrastructure developme
- v. To facilitate the provision of housing

3. Local Economic Development

- i. To grow the economy of the municipality through investment attraction and tourism development
- ii. To create an enabling environment to grow businesses, cooperatives and SMMEs
- iii. To drive job creation initiatives
- iv. To promote township and rural development through nodal developments especially for commerce and industries
- v. To promote sustainable livelihoods and enhance the fight against poverty
- vi. To facilitate participation of youth and previously disadvantaged individuals in the economy.

4. Good Governance and Public Participation

- i. To promote a culture of participatory democracy
- ii. To develop and review organisational policies to be in line with current national and provincial agenda
- iii. To develop an ethical organisation which is fraud and corruption free
- iv. To promote and uphold principles of good governance and legal compliance
- v. To ensure a safe and crime free municipality.
- vi. To promote human rights and social upliftment of vulnerable groups and address moral regeneration need



vii. To promote and safeguard the municipal brand

5. Municipal Financial Viability and Management

- i. To ensure efficient and effective management of council assets and properties.
- ii. To improve revenue, cost reduction and management of debt
- iii. To ensure expenditure on long-term capital infrastructure project plans

6. Cross Cutting Issues

- i. To create sustainable and resilient settlements
- ii. To promote and enhance planned development and land administration
- iii. To promote green economy

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2020/21 Budget has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure

4.6.29 Municipal Financial Position

Ray Nkonyeni Municipality has a sound financial plan which has placed it in a sound position. See details below.



Table 92: SA 3 Detail Municipal financial position

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Supporting Table SA3 Budgeted Financial Position - 30 June 2021

Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
ASSETS											
Consumer debtors											
Consumer debtors		-	226,971,868	271,885,224	21,339,716	25,955,605	25,955,605	335,256,617	382,449,263	409,553,545	439,113,963
Less: Provision for debt impairment		-	(40,697,535)	(37,446,280)	(5,988,659)	(5,988,659)	(5,988,659)	(37,070,082)	(49,848,445)	(41,139,786)	(39,149,586)
Total Consumer debtors	2	-	186,274,333	234,438,944	15,351,057	19,966,946	19,966,946	298,186,535	332,600,818	368,413,759	399,964,377
Debt impairment provision											
Balance at the beginning of the year		-	-	(34,263,358)	-	-	-	(36,859,786)	(36,859,786)	(36,859,786)	(36,859,786)
Contributions to the provision		-	(39,726,649)	(2,596,428)	-	-	-	-	(3,040,004)	-	-
Bad debts written off		-	(970,886)	(586,494)	(5,988,659)	(5,988,659)	(5,988,659)	(210,296)	(9,948,655)	(4,280,000)	(2,289,800)
Balance at end of year		-	(40,697,535)	(37,446,280)	(5,988,659)	(5,988,659)	(5,988,659)	(37,070,082)	(49,848,445)	(41,139,786)	(39,149,586)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		-	3,003,141,954	3,075,810,108	131,794,260	108,331,219	108,331,219	3,057,331,715	3,190,991,592	3,187,780,986	3,143,417,845
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		-	(1,532,201,552)	(1,578,771,786)	(49,850,000)	(49,850,000)	(49,850,000)	(1,578,796,565)	(1,668,991,886)	(1,669,891,695)	(1,670,800,702)
Total Property, plant and equipment (PPE)	2	-	1,470,940,402	1,497,038,322	81,944,260	58,481,219	58,481,219	1,478,535,150	1,521,999,906	1,517,889,291	1,472,617,143
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	9,994,693	8,549,698	(7,251,810)	(7,251,810)	(7,251,810)	255,968	8,398,269	8,398,269	8,398,269
Total Current liabilities - Borrowing		-	9,994,693	8,549,698	(7,251,810)	(7,251,810)	(7,251,810)	255,968	8,398,269	8,398,269	8,398,269
Trade and other payables											
Trade Payables		-	107,450,328	102,508,291	(12,594,033)	(12,594,033)	(12,594,033)	103,233,933	102,949,897	102,949,897	102,949,897
Other creditors		-	-	-	-	-	-	-	-	-	-
Unspent conditional transfers		-	24,578,821	28,201,029	-	100,547	100,547	45,500,189	30,851,314	21,837,377	9,762,378
VAT		-	5,867,297	6,805,611	-	-	-	13,388,481	6,805,134	6,805,134	6,805,134
Total Trade and other payables	2	-	137,896,446	137,514,931	(12,594,033)	(12,493,486)	(12,493,486)	162,122,603	140,606,345	131,592,408	119,517,409
Non current liabilities - Financial liabilities											
Borrowing		-	11,164,223	4,790,576	9,500,000	9,808,000	9,808,000	4,790,575	8,040,575	12,681,575	12,132,575
Other Financial liabilities		-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Financial liabilities	4	-	11,164,223	4,790,576	9,500,000	9,808,000	9,808,000	4,790,575	8,040,575	12,681,575	12,132,575
Provisions - non-current											
Retirement benefits		-	93,048,000	99,029,761	-	-	-	99,029,761	99,029,761	99,029,761	99,029,761
Refuse landfill site rehabilitation		-	35,092,681	35,092,682	-	-	-	35,092,681	35,092,681	35,092,681	35,092,681
Other		-	-	17,883,709	-	-	-	15,937,810	17,883,709	17,883,709	17,883,709
Total Provisions - non-current		-	128,140,681	152,006,152	-	-	-	150,060,252	152,006,151	152,006,151	152,006,151
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		-	1,596,588,460	1,563,358,120	-	-	-	1,634,588,580	1,561,845,588	1,561,845,588	1,561,845,588
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		-	1,596,588,460	1,563,358,120	-	-	-	1,634,588,580	1,561,845,588	1,561,845,588	1,561,845,588
Surplus/(Deficit)		-	-	-	-	149,073,018	149,073,018	-	-	-	-
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	338,904	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	-	1,596,588,460	1,563,697,024	-	149,073,018	149,073,018	1,634,588,580	1,561,845,588	1,561,845,588	1,561,845,588
Reserves											
Housing Development Fund		-	7,087,823	7,087,823	-	-	-	7,087,823	7,087,823	7,087,823	7,087,823
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	608,068	608,068	-	-	-	608,068	608,068	608,068	608,068
Revaluation		-	105,221,553	105,221,553	-	-	-	105,221,553	105,221,553	105,221,553	105,221,553
Total Reserves	2	-	112,917,444	112,917,444	-	-	-	112,917,444	112,917,444	112,917,444	112,917,444
TOTAL COMMUNITY WEALTH/EQUITY	2	-	1,709,505,904	1,676,614,468	-	149,073,018	149,073,018	1,747,506,024	1,674,763,032	1,674,763,032	1,674,763,032

Explanatory notes to Table SA3

This table is a supporting table to table A6 and it has detailed information that is summarized in table A6.



Table 93: SA 8 Performance Indicators

KZN216 Ray Nkonyeni - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	0.0%	1.5%	0.4%	1.0%	1.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	0.0%	2.6%	0.6%	1.4%	1.4%	0.0%	0.0%	0.0%	0.1%	0.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	476316.3%	0.0%	-1.1%	4.1%	4.6%	0.0%	0.0%	2.0%	4.5%	8.9%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	17937.8%	17123.0%	17073.8%	0.0%	0.0%	0.0%	0.0%	94.8%	98.9%	98.4%
Liquidity											
Current Ratio	Current assets/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	–	–	2.2	2.0	2.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	1.5	1.6	(2.8)	(2.5)	–	–	2.2	2.0	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.5	0.4	(1.2)	(0.6)	–	–	0.5	0.0	0.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		94.2%	89.1%	100.4%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		95.8%	89.0%	100.3%	97.6%	97.2%	0.0%	0.0%	83.5%	79.7%	87.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	42.0%	22.8%	24.6%	3.0%	3.3%	0.0%	0.0%	29.1%	32.1%	33.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		53.0%	163.7%	71.7%	-53.6%	-68.5%	0.0%	0.0%	105.8%	240.9%	209.1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	53.7%	43.2%	44.7%	36.4%	38.1%	0.0%	0.0%	39.7%	41.9%	42.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	3.8%	4.5%	0.0%		4.9%	7.9%	4.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	17.4%	13.5%	5.1%	5.1%	0.0%	0.0%	8.5%	8.5%	8.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.3	22.3	21.1	20.9	20.9	20.9	–	26.5	26.5	27.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	43.3%	34.0%	36.0%	5.0%	5.4%	0.0%	0.0%	45.7%	48.9%	51.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.9	1.3	2.8	0.3	0.2	–	–	1.4	0.6	0.6

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days	31,940	67,510	67,578	72,162	74,595	-	-	73,868	77,730	81,486
Monthly fixed operational expenditure	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Fixed operational expenditure % assumption	24	83,036	16,529	249,877	236,665	-	-	179,142	187,622	89,184
Own capex	115,743	-	(177)	10,180	10,796	-	-	3,500	8,476	7,976
Borrowing										



Table 94: SA18 Transfers and Grants Receipts

Kwazulu-Natal: Ray Nkonyeni(KZN216) - Table SA18 Transfers and Grant Receipts - 30 June 2021										
Description	Ref	2016/17	2017/18	2018/19	Current year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year 2021/22	Budget Year 2022/23
Rand										
RECEIPTS										
Operating										
National Government										
Equitable Share			175,566,000	185,324,000	205,608,000	205,608,000	205,608,000	222,794,000	232,819,730	243,296,614
Energy Efficiency and Demand Side Management				6,000,000						
Expanded Public Works Programme Integrated Grant			3,306,000	4,061,000	4,405,000	4,405,000	4,405,000	3,949,000	4,126,705	4,333,043
Integrated National Electrification Programme [Schedule 5B]			14,000,000							
Local Government Financial Management Grant			3,600,000	3,600,000	2,500,000	2,500,000	2,500,000	1,999,998	1,999,998	1,999,998
Municipal Demarcation Transition Grant			8,280,000	744,137		311,072	311,072			
Municipal Disaster Grant								1,108,000		
Municipal Infrastructure Grant				1,220,087						
Municipal Systems Improvement Grant			1,300,000							
Total National Government		-	206,052,000	200,949,224	212,513,000	212,824,072	212,824,072	229,850,998	238,946,433	249,629,655
Provincial Government										
Infrastructure					112,059,000	112,058,910	112,058,910	91,545,421	56,947,000	61,339,003
Capacity Building and Other					13,468,000	13,468,000	13,468,000	14,040,004	14,457,003	14,980,999
Accreditation of Municipalities			5,995,860							
Community Library Services Grant			10,930,786							
Housing				7,659,115						
Housing Development			33,771,390							
Libraries, Archives and Museums				12,810,681						
Museum Subsidies			350,000							
Sporting Facilities Maintenance Grant			1,871,130							
Sports and Recreation				275,002						
Town Planning Grant			(18,792)							
Total Provincial Government		-	52,900,374	20,744,798	125,527,000	125,526,910	125,526,910	105,585,425	71,404,003	76,320,002
District Municipalities										
Capacity Building and Other						39,999	39,999	51,997	51,997	51,997
Total District Municipalities		-	-	-	-	39,999	39,999	51,997	51,997	51,997
Other Grant Providers										
Local Government, Water and Related Service SETA					1,298,712	1,298,712	1,298,712	1,298,715	1,363,648	1,438,646
State Information Technology Agency (SITA)						200,001	200,001			
Transport, Education and Training SETA				450,000	1,050,000	1,050,000	1,050,000	5		
Unspecified			440,405							
Total Other Grant Providers		-	440,405	450,000	2,348,712	2,548,713	2,548,713	1,298,720	1,363,648	1,438,646
Total Operating		-	259,392,779	222,144,022	340,388,712	340,939,694	340,939,694	336,787,140	311,766,081	327,440,300
Capital										
National Government										
Energy Efficiency and Demand Side Management Grant			4,036,499		8,000,000	8,000,000	8,000,000			
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]				14,000,000	9,000,000	9,000,000	9,000,000	9,000,002	9,000,002	11,000,000
Integrated Urban Development Grant								65,312,995	66,406,000	70,257,000
Municipal Infrastructure Grant			62,614,881	59,096,913	80,040,000	70,795,000	70,795,000			
Neighbourhood Development Partnership Grant					10,000,000	10,000,000	10,000,000	4,999,995	4,999,995	14,999,996
Total National Government		-	66,651,380	73,096,913	107,040,000	97,795,000	97,795,000	79,312,992	80,405,997	96,256,996
Provincial Government										
Infrastructure					10,000,000	18,633,047	18,633,047	11,000,000		
Capacity Building and Other					400,000	400,000	400,000	400,004		
Art Galleries and Library Services			5,654							
Housing				268,809						
Libraries, Archives and Museums				77,831,513						
Rural Development Grant				47,094,226						
Town Planning Grant			20,141,101	342,515						
Total Provincial Government		-	20,146,755	125,537,063	10,400,000	19,033,047	19,033,047	11,400,004	-	-
Other Grant Providers										
European Union								10,518,640	11,668,206	
Unspecified					1,000,000					
Total Other Grant Providers		-	-	-	1,000,000	-	-	10,518,640	11,668,206	-
Total Capital		-	86,798,135	198,633,976	118,440,000	116,828,047	116,828,047	101,231,636	92,074,203	96,256,996
TOTAL		-	346,190,914	420,777,998	458,828,712	457,767,741	457,767,741	438,018,776	403,840,284	423,697,296

Explanatory notes to Table SA18 Grants and subsidies Receipts

1. This table reflects all expected grants receipts from national, provincial and other organization.
2. National treasury and provincial treasury grants are gazette in DORA and provincial gazette.



3. Other grant funding are through the memorandum of agreement are housing grant and European Union grant of R11 million and R10,5 million respectively. These grants are usually not gazette in the bill or provincial gazette.

4.6.30 Findings

Summary on spending on staff salaries and wages, July 2020-June 2021: Employee related costs are the largest proportion of operating expenditure. The normal range for this indicator should be between 25% and 40% and it must be indicated that the municipality stands at 40%, which is moderate. This must be guarded as the costs should not grow so large as it will threaten the sustainability of operating budget.

Spending on Contractor Services, July 2020-June 2021: Private Contractors are sometimes needed for certain work which cannot be done in-house. This move proves to be quite expensive, hence should be kept to minimum. However, it must be noted that the municipality's trying to provideservices in-house whereby municipal staff must be capacitated and skills transfer to municipal staff should be considered. The measure is normal if it between 2% and 5% and RNM stands at 2.3%.

Table 95: Municipal Financial Viability SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> -83% of income generated internal and sources being rates, electricity and refuse income grant funding -Clean Audit in the last Financial year -Annual financial statements developed internal -Robust PMS System 	<ul style="list-style-type: none"> -Collection is not always 100% -Ageing infrastructure resulting in disgruntled ratepayers who are threatening to withhold rates which is the Municipality's main source of income ---Amendments of the AFS which resulted in the none achievement of clean audit
Opportunities	Threats
<ul style="list-style-type: none"> -Being one of the most financial stable Municipalities in KZN and South Africa Introduction of the case ware reporting system which will assist in addressing the issue of quality of AFS 	<ul style="list-style-type: none"> -Ratepayers threatening to withhold rates -Irregularities within the procurement prices - Fixed asset register system have some weaknesses -Poor fleet management -Non planning for future replacement of capital items



SECTION E: ORGANIZATIONAL PERFORMANCE MANAGEMENT FRAMEWORK

Introduction

This chapter provides indicators, under each focus area that an IDP must respond to. Importantly, this analysis to strategic programmes and project development, it also presents a discussion about the importance of linking planning, budgeting, and implementation, monitoring and reporting. It also outlines a process to be followed to ensure proper linkage of these processes to ensure effective implementation.

The municipality has developed its SDBIP to fulfil both the requirements of the Municipal Systems Act and the Municipal Finance management Act. In this section the policy framework for performance management system is summarized and the draft 2018-19 SDBIP and complete policy framework attached as an Annexure. The Municipal Planning and Performance Management Regulations stipulate that a municipality's Organisational Performance Management System (OPMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. In line with the said legal requirement this framework should be seen as a policy document that will set out:

The requirements that the Ray Nkonyeni Municipality's OPMS will need to fulfil:

- The principles that must inform its development and subsequent implementation
- The preferred performance management model of the Municipality
- The process by which the system will work
- The delegation of responsibilities for different roles in the process and
- A plan for the implementation of the system

5.1 The Legislative Framework for Performance Management

The major OPMS policy instruments are the 1998 White Paper on Local Government supported by the Batho Pele principles encompassed in the White Paper on the Transformation of Public Service Delivery(1997).These policies were given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000).

The Municipal System Act requires all municipalities to:

- Develop a performance management system
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP)
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).



- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal OPMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. For instance, the MFMA requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators;

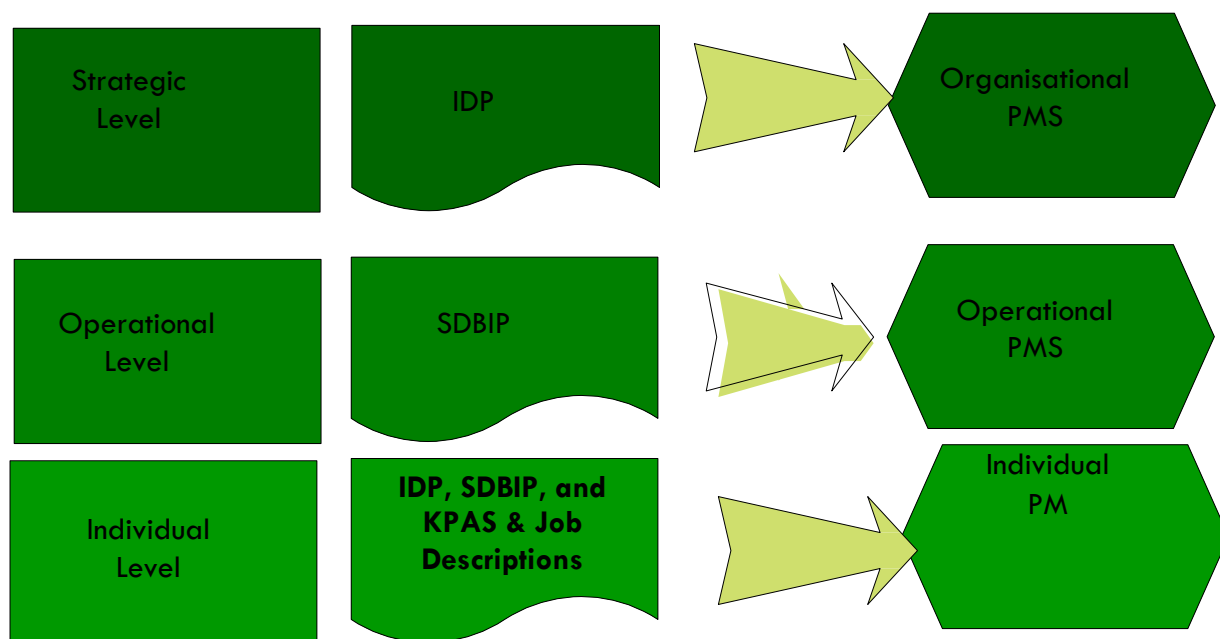
Provision is also made for this at departmental level in a circular issued by the National Treasury. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. Finally, the Municipality must compile an annual report, which must include a performance report compiled in terms of the Systems Act.

5.2 Managing and measuring performance at various levels

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



Illustration: Strategic (Organisational) Performance linked to the integrated development plan (IDP) of a municipality



Objectives of the Municipality's Performance Management System as indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfil the following objectives:

- i. Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

5.3 Support Municipal Oversight

The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration.

Facilitate learning and improvement

The OPMS should facilitate learning in order to enable the Municipality to improve delivery.

Provide early warning signals

It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.

- i. *Facilitate decision making*



The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

5.4 Performance Reporting and Review

The next two stages in the process of performance management, namely that of performance reporting and performance review, will be dealt with together. This section is further divided into three sub-sections dealing with the requirements for 'in-year reviews' annual reporting and reviews and lastly a summary of the various reporting requirements.

5.5 In-year Performance Reporting and Review

The submission of the scorecard to the Executive Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any OPMS and it marks the beginning of what should become a regular event, namely using the performance report as a tool to assess and review the Municipality's performance and to make important political and management decisions on how the municipality can improve its performance.

As indicated earlier it is recommended that the organisational scorecard be submitted to the Executive Committee for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September) January (for the period October to the end of December), April (for the period January to end of March) and July (for the period April to the end of June).

The review in January will coincide with the mid-year performance assessment as per Section 72 of the MFMA. This Section determines that the must, by 25 January of each year, assess the performance of the municipality and report to the Executive Committee via the Mayor on, inter alia, its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process whereby the leadership of an organisation, after the performance of the organisation has been measured and reported to it, reviews the results and decides on appropriate action to be taken. The Executive Committee, when reviewing the organisational score card submitted to it, will have to ensure that the targets committed to in the score card have been met, and where they have not, that satisfactory and sufficient reasons for this have been provided by senior management and that the sufficient and appropriate corrective action has been proposed to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council and must be minuted and actioned accordingly.

Section 44 (4) of the Municipal Structures Act 1998 (Act 117 of 1998) as amended requires that the Executive Committee must report to Council on all its decisions taken. The outcome of the quarterly performance reviews by the Executive Committee must, in line with this requirement, be reported to the full Council for it to perform its oversight function over the performance of the Municipal Executive and Administration. In doing so Council must review the decisions taken and



resolve whether it is satisfied with the corrective action adopted by the Executive Committee. If they are not then the Executive Committee recommendation must be amended accordingly and the amendments minuted and actioned.

5.6 Annual Performance Reporting and Review

A comprehensive report on the performance of the Municipality also needs to be compiled on an annual basis. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary the MFMA requires that: All municipalities for each financial year compile an annual report which report must include the municipal performance report

The annual report be tabled within seven months after the end of the financial year. The annual report be made public immediately after it has been tabled and that the local community be invited to submit representations thereon. The municipal Council considers the annual report within nine months of the end of the financial year and adopts an oversight report containing the Council's comments on the annual report. The oversight report as adopted be made public. The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the Department responsible for local government in the Province. The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

It is important to note that the municipal performance report of a municipality is only one element of the annual report. To ensure that the annual report compilation, tabling and review process is completed in time to inform the next cycle of performance planning in accordance with the IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of each financial year as possible but ideally not later than two months after financial-year end.

The oversight report to be adopted provides the opportunity for the full Council to review the performance of the Municipality in line with its oversight role. The requirement that the annual report, once tabled, and the oversight report be made public also provides a mechanism for the general public to review the performance of the Municipality in line with the community's oversight role.

In order to facilitate the oversight process it is recommended that a municipal oversight committee be established consisting of a selected number of Councillors not serving on the Executive Committee. Council should also consider in line with oversight best practice that the chairperson of the oversight committee be a member of an opposition party.

The oversight committee will be responsible for the detailed analysis and review of the annual report and the drafting of the oversight report. In doing so the committee must establish mechanisms to receive and review representations made by the public on the annual report and also seek inputs from other and Council portfolio committees. Such mechanisms could involve all or any combination of the following:

- Producing a user-friendly citizens' report in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.



- Using of various forms of media including radio, newspapers and billboards to convey the annual report.
- Inviting the public to submit comments on the annual report via
- Telephone, fax and email.
- Holding public hearings in a variety of locations to obtain their input on the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Debating the annual report at a meeting of the IDP Representative Forum
- Hosting a number of public meetings or road-shows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public are invited to comment.
- Posting the annual report on the council website and inviting input
- Conducting Customer Satisfactory Surveys on annual basis as means of community consultation and involvement.

It is further proposed that the oversight committee functions as a MPAC. As such the committee must examine the performance of the municipality.

5.7 Reporting requirements

The following table, based on the legislative framework for performance management and this OPMS framework, provides a summary of the various performance reporting deadlines which apply to the Municipality:

Table 96: OPMS Framework

Report	Frequency	Submitted for consideration and/ or review to	Remarks	Responsibility
SDBIP's	Quarterly	Executive Committee	Refer to MFMA Circular 13 of	MM
Monthly budget Statements	Monthly	Mayor (in consultation with Exco)	Refer to sections 71 and 54 of the MFMA	CFO
Organisational Scorecard	Quarterly	Executive Committee and then in terms of an Exco report to full Council	OPMS framework (see section above)	MM
Implementation of the budget and financial state of affairs of the Municipality	Quarterly	Council	Refer to section 52 of the MFMA	CFO
SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	Refer to sections 72 and 54 of the MFMA	MM / CFO



Performance report (including Customer Satisfactory Surveys)	Annually	Council	Refer to section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report	MM
Annual report	Annually	Council	Refer to chapter 12 of the MFMA	MM



SECTION F: IMPLEMENTATION FRAMEWORK

6.1 CAPITAL INVESTMENT PLAN : 2020/2021 REVIEW

PROGRAMME/PROJECTS				PHASED ANNUAL INVESTMENT COSTS						FUNDING		RESPO NSIBILI TY	
NUMBER	PRIORITY		LOCATI ON	TOTAL ESTIMATED COST	2020/21	2019/20	2020/2021	2021/22	AMOUNT RECEIVE D FROM OTHER SOURCE S OF FUNDIN G	GOVERNMENT SOURCE OF FUNDING	EX TE RN AL	INTER NAL	
												HO D	COM
S2: SUSTAINING THE NATURAL AND BUILT ENVIRONMENT				R 1 000 000.00	R 1 000 000.00	R -	R -	R -	R -				



1.		Preparation of a Strategic Environmental Assessment (SEA)	Entire Municipality	R 1 000 000.00	R 1 000 000.00	R -	R -	R -	R -	INTERNAL		X	
S2: CORRIDOR DEVELOPMENT				R 282 219 712.00	R 78 517 484.00	R 124 799 422.00	R 67 600 000.00	R 16 148 006.00	R -				
2		ROADS											
2.		CLUSTER 1		R 23 350 935.00	R 4 026 932.00	R 10 000 000.00	R 7 000 000.00	R 2 324 003.00	R -				
2.		Esidlidlini Pedestrian Bridge	Ward 31	R 4 051 828.00	R 227 825.00	R 1 500 000.00	R 1 000 000.00	R 1 324 003.00	R -			X	
2.		Shibase Road	Ward 32	R 1 303 907.00	R 1 303 907.00	R -	R -	R -	R -			X	
2.		Shibase Pedestrian Bridge (Near Sima's House)	Ward 32	R 2 527 825.00	R 227 825.00	R 1 500 000.00	R 800 000.00	R -	R -			X	
2.		Kawuseni Vehicular Bridge (Mgundlwa School)	Ward 35	R 1 650 000.00	R 150 000.00	R 1 000 000.00	R 500 000.00	R -	R -			X	



2. 1. 5.		Kawuseni Vehicular Bridge (Bhuka School)	Ward 35	R 1 650 000.00	R 150 000.00	R 1 000 000.00	R 500 000.00	R -	R -			X	
2. 1. 6.		Kawuseni Pedestrian Bridge (Shibe to Mvolomi School)	Ward 35	R 3 883 900.00	R 1 133 900.00	R 1 000 000.00	R 750 000.00	R 1 000 000.00	R -			X	
2. 1. 7.		Kawuseni Pedestrian Bridge (Godloza to Mbomvini School)	Ward 35	R 2 050 000.00	R 150 000.00	R 1 000 000.00	R 900 000.00					X	
2. 1. 8.		Khandalesizwe to Ntshebeni Pedestrian Bridge	Ward 33	R 1 777 825.00	R 227 825.00	R 1 000 000.00	R 550 000.00	R -	R -			X	
2. 1. 9.		Gadlogadla to Makhanya Road Vehicular Bidge	Ward 33	R 2 227 825.00	R 227 825.00	R 1 000 000.00	R 1 000 000.00	R -	R -			X	
2. 1. 0.		Qashela to Munga Pedestrian Bridge	Ward 33	R 2 227 825.00	R 227 825.00	R 1 000 000.00	R 1 000 000.00	R -	R -			X	
2. 2.		CLUSTER 2		R 12 390 324.00	R 4 390 324.00	R 4 500 000.00	R 1 500 000.00	R 2 000 000.00	R -				
2. 2. 1.		Thokothe Sportsfield Concrete Road	Ward 9	R 4 206 849.00	R 3 706 849.00	R 500 000.00	R -	R -	R -			X	



2. 2. 2.		Mjweni Pedestrian Bridge	Ward 8	R 3 227 825.00	R 227 825.00	R 1 500 000.00	R 500 000.00	R 1 000 000.00	R -			X	
2. 2. 3.		Nyanisweni & Dumezweni Pedestrian Bridge	Ward 8	R 1 227 825.00	R 227 825.00	R 500 000.00	R 500 000.00	R -	R -			X	
2. 2. 4.		Maqobo Pedestrian Bridge (Links Wards 8 & 9)	Links Wards 8 & 9	R 3 727 825.00	R 227 825.00	R 2 000 000.00	R 500 000.00	R 1 000 000.00	R -			X	
2. 3.		CLUSTER 3		R 8 933 900.00	R 4 856 500.00	R 5 500 000.00	R 1 000 000.00	R -	R -				
2. 3. 1.		Marine Drive/ Knox Gore Traffic Signal	Ward 3/19	R 100 000.00	R 100 000.00	R -	R -	R -	R -			X	
2. 3. 2.		Smith Street Upgrade	Ward 6	R 5 822 600.00	R 1 822 600.00	R 3 000 000.00	R 1 000 000.00	R -	R -			X	
2. 3. 3.		Mkanti Road	Ward 10	R 2 411 300.00	R 911 300.00	R 1 500 000.00	R -	R -	R -			X	
2. 3. 4.		William O Connor Street Steel Structures		R 300 000.00	R 200 000.00	R 100 000.00	R -	R -	R -			X	



2. 3. 5.		Thongazi Pedestrian Bridge	Ward 1	R 300 000.00	R 1 822 600.00	R 900 000.00	R -	R -	R -			X	
2. 4.		CLUSTER 4		R 16 744 850.00	R 5 495 139.00	R 6 749 711.00	R 2 500 000.00	R 2 000 000.00	R -				
2. 4. 1.		Tarring of Nositha Main Road	Ward 27	R 14 056 500.00	R 4 556 500.00	R 5 000 000.00	R 2 500 000.00	R 2 000 000.00	R -			X	
2. 4. 2.		Mpakeni Road Upgrade & Bridge	Ward 25	R 2 661 011.00	R 911 300.00	R 1 749 711.00	R -	R -	R -			X	
2. 4. 3.		Masele Pedestrian Bridge	Ward 26	R 27 339.00	R 27 339.00	R -	R -	R -	R -			X	
2. 5.		CLUSTER 5		R 21 756 041.00	R 13 356 041.00	R 6 100 000.00	R 2 300 000.00	R -	R -				
2. 5. 1.		Makadane Pedestrian Bridge	Ward 22	R 10 075 361.00	R 10 075 361.00	R -	R -	R -	R -			X	
2. 5. 2.		KwaSithole Pedestrian and Vehicular Bridge	Ward 21	R 2 227 825.00	R 227 825.00	R 1 500 000.00	R 500 000.00	R -	R -			X	



2. 5. 3.		Mazumbane Pedestrian Bridge	Ward 21	R 1 027 825.00	R 227 825.00	R 300 000.00	R 500 000.00	R -	R -			X	
2. 5. 4.		Mbili Pedestrian Bridge	Ward 22	R 1 955 650.00	R 455 650.00	R 1 000 000.00	R 500 000.00	R -	R -			X	
2. 5. 5.		Tarring of Jesus Road	Ward 23	R 5 804 860.00	R 2 004 860.00	R 3 000 000.00	R 800 000.00	R -	R -			X	
2. 5. 6.		Crossing Pedestrian Bridge	Ward 24	R 664 520.00	R 364 520.00	R 300 000.00	R -	R -	R -			X	
2. 6.		CLUSTER 6		R 53 694 681.00	R 6 794 681.00	R 28 900 000.00	R 18 000 000.00	R -	R -				
2. 6. 1.		Mnganka Vehicular Bridge	Ward 20	R 2 455 650.00	R 455 650.00	R 1 500 000.00	R 500 000.00	R -	R -			X	
2. 6. 2.		Nqwane Pedestrian Bridge	Ward 20	R 1 255 650.00	R 455 650.00	R 300 000.00	R 500 000.00	R -	R -			X	
2. 6. 3.		Port Shepstone CBD Pedestrian Crossing		R 17 800 000.00	R 500 000.00	R 10 300 000.00	R 7 000 000.00	R -	R -			X	



2. 6. 4.		Port Shepstone Temporary Taxi Rank		R 32 183 381.00	R 5 383 381.00	R 16 800 000.00	R 10 000 000.00	R -	R -			X	
2. 7.		CLUSTER 7		R 8 478 250.00	R 678 250.00	R 1 300 000.00	R 3 000 000.00	R 3 500 000.00	R -				
2. 7. 1.		Banana Beach Pedestrian Bridge	Ward 16	R 2 182 260.00	R 182 260.00	R 500 000.00	R 1 000 000.00	R 500 000.00	R -			X	
2. 7. 2.		Tarring of George Mbhele High Road	Ward 13	R 573 390.00	R 273 390.00	R 300 000.00	R -	R -	R -			X	
2. 7. 3.		Mvuzane Road and Vehicular Bridge	Ward 14	R 5 722 600.00	R 222 600.00	R 500 000.00	R 2 000 000.00	R 3 000 000.00	R -			X	
2. 8.		OTHER ROAD INFRASTRUCTURE PROJECTS- MUNICIPAL WIDE		R 31 201 700.00	R 8 701 700.00	R 8 500 000.00	R 4 000 000.00	R 10 000 000.00					
2. 8. 1.		Road Rehabilitation- Piet Retief		R 4 145 200.00	R 3 645 200.00	R 500 000.00	R -	R -	R -				
2. 8. 2.		Road Rehabilitation- Gravel (Phase 7)		R 25 556 500.00	R 4 556 500.00	R 7 000 000.00	R 4 000 000.00	R 10 000 000.00	R -				



2. 8. 3.		Dick King Parking Fencing		R 1 500 000.00	R 500 000.00	R 1 000 000.00	R -						
S3: NODAL DEVELOPMENT/SERVICE CENTRES				R 10 595 000.00	R 5 595 000.00	R 4 000 000.00	R 1 000 000.00	R -	R -				
3. 1.		Rationalisation of Office Spaces (Port Shepstone & Uvongo)		R 7 300 000.00	R 4 300 000.00	R 3 000 000.00	R -	R -	R -	INTERNA L		X	
3. 2.		Marburg Motor Mechanic Workshop		R 2 500 000.00	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R -	R -	INTERNA L		X	
3. 3.		Dept. of Human Settlement Office Renovations		R 795 000.00	R 795 000.00	R -	R -	R -	R -	ACC RED ATIO N			
S4: CONTINUUM OF SUSTAINABLE HUMAN SETTLEMENTS				R 200 635 964.00	R 113 761 356.00	R 51 514 508.00	R 35 360 100.00	R -	R -				
4. 1		HOUSING AND HUMAN SETTLEMENT											
4. 1. 1.		Rural Projects		R 123 017 267.00	R 74 656 171.00	R 13 300 996.00	R 35 060 100.00	R -	R -				



	Vukuzithathe Phase 3 (Ngcawusheni)		R 19 144 346.00	R 807 148.00	R 807 148.00	R 17 530 050.00	R -	R -	DHS	X		
	KwaMthimude Phase 2 (Shibe)		R 19 144 346.00	R 807 148.00	R 807 148.00	R 17 530 050.00	R -	R -	DHS	X		
	KwaXolo Rural Housing Phase 2	Ward 7,8,9,29 & 32	R 35 060 100.00	R 23 373 400.00	R 11 686 700.00	R -	R -	R -	DHS	X		
	KwaMadlala Rural Housing		R 8 765 025.00	R 8 765 025.00	R -	R -	R -	R -	DHS			
	KwaNzimakwe Rural Housing		R 17 530 050.00	R 17 530 050.00	R -	R -	R -	R -	DHS	X		
	Gamalakhe In-situ Upgrade Rural Housing		R 23 373 400.00	R 23 373 400.00	R -	R -	R -	R -				
4. 1. 2.	Slum Clearance Projects		R 54 624 920.00	R 29 228 164.00	R 25 396 756.00	R -	R -	R -				
	Louisiane (Slums Clearance) (transfer & Registration)	Ward 15	R 976 800.00	R 300 000.00	R 676 800.00	R -	R -	R -	DHS			
	Mkholombe (Slums Clearance)		R 1 847 313.00	R 1 847 313.00	R -	R -	R -	R -	DHS	X		



		Masinenge (Slums Clearance)	Ward 3	R 51 800 807.00	R 27 080 851.00	R 24 719 956.00	R -	R -	R -	DHS	X		
4. 1. 3.		Urban Projctcs		R 22 993 777.00	R 9 877 021.00	R 12 816 756.00	R 300 000.00	R -	R -				
		KwaNzimakwe PHP Housing (Kwalatshoda)		R 468 846.00	R 468 846.00	R -	R -	R -	R -	DHS	X		
		Gamalakhe Rectification Pre-1994 Houses		R 763 456.00	R 763 456.00	R -	R -	R -	R -	DHS	X		
		Merlewood Mixed Income (Title Deeds Restoration)		R 264 549.00	R 264 549.00	R -	R -	R -	R -	DHS	X		
		Merlewood Mixed Income Phase 1		R 20 596 926.00	R 8 080 170.00	R 12 516 756.00	R -	R -	R -	DHS	X		
		Mini Sub Housing Covers		R 900 000.00	R 300 000.00	R 300 000.00	R 300 000.00	R -	R -				
S5: PROTECTION OF AGRICULTURAL LAND				R -	R -	R -	R -	R -					



5.	1	N/A		R -	R -	R -	R -	R -	R -		X		
S6: SERVICE AND SOCIAL INFRASTRUCTURE													
6.	1	WATER AND STORMWATER SERVICES AND MANAGEMENT		R 37 718 025.00	R 5 173 025.00	R 8 545 000.00	R 6 000 000.00	R 10 000 000.00	R -				
6.	1.	Bhosiki Hall: Phase 2- Parking and Stormwater	Ward 36	R 2 550 425.00	R 1 050 425.00	R 1 500 000.00	R -	R -	R -				
		Luisiana Housing Stormwater and Ring Road	Ward 15	R 10 956 300.00	R 911 300.00	R 2 045 000.00	R 3 000 000.00	R 5 000 000.00	R -				
		Rural Stormwater		R 7 411 300.00	R 911 300.00	R 1 500 000.00	R 1 500 000.00	R 3 500 000.00	R -	MIG	X		
		Stormwater-Urban		R 5 500 000.00	R 1 000 000.00	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R -	INTE RNA L	X		
		Acacia Road - Stormwater-Sea Park	Ward 16	R 3 300 000.00	R 1 300 000.00	R 2 000 000.00	R -	R -	R -				



		Fezile Mkhwanazi Stormwater		R 8 000 000.00	R	R 1 800 000.00						
6.2		SANITATION		R 3 500 000.00	R 500 000.00	R 1 000 000.00	R -	R -	R -			
		Staff Depot Ablution Facilities -Phase 3		R 3 500 000.00	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -	INTERNAL		X
6.3.		ENERGY		R 99 272 600.00	R 25 822 600.00	R 22 120 000.00	R 21 920 000.00	R 29 410 000.00	R -			
6.3.1.		Electrification Projects		R 83 750 000.00	R 21 500 000.00	R 18 420 000.00	R 18 420 000.00	R 25 410 000.00	R -			
		Electrification projects	Ward 30,31,33,34,35 &36	R 6 000 000.00	R 6 000 000.00	R -	R -	R -	R -		X	
		Electricity Infills (Various Wards) New Project		R 41 000 000.00	R 8 000 000.00	R 9 000 000.00	R 9 000 000.00	R 15 000 000.00	R -		X	
		Bulk Electrical Supply to New Developments		R 6 000 000.00	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R 1 500 000.00	R -			X



		(Within Distribution Area)										
		Energy Efficiency DSM		R 30 750 000.00	R 6 000 000.00	R 7 920 000.00	R 7 920 000.00	R 8 910 000.00	R -		X	
6. 3. 2.		Electrification Infrastructure		R 15 522 600.00	R 4 322 600.00	R 3 700 000.00	R 3 500 000.00	R 4 000 000.00	R -			
		Highmast Installation	Ward 33&34	R 911 300.00	R 911 300.00	R -	R -	R -	R -		X	
		Highmast Installation	Ward 3,8,27&29	R 200 000.00	R	R 200 000.00						
		New Streets Lights Installation		R 4 911 300.00	R 911 300.00	R 1 000 000.00	R 1 000 000.00	R 2 000 000.00	R -		X	
		Electrical Cables Replacement		R 3 500 000.00	R 500 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -		X	
		Mini Sub-Station Replacement		R 2 000 000.00	R 1 000 000.00	R 500 000.00	R 500 000.00	R -	R -			X
		Inter Switch (RMU) Replacement		R 4 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R -			X



6. 3. 5.		SPORT, RECREATION & COMMUNITY FACILITIES		R 64 343 582.00	R 20 236 875.00	R 23 300 000.00	R 14 806 707.00	R 6 000 000.00	R -		X		
		Sportsfields		R 20 179 732.00	R 7 373 025.00	R 6 500 000.00	R 4 306 707.00	R 2 000 000.00	R -				
		Sportsfield-Ward 31	Ward 31	R 4 034 532.00	R 227 825.00	R 1 500 000.00	R 2 306 707.00	R -	R -		X		
		Upgrade of Domba/JB Sportsfield	Ward 14	R 4 645 200.00	R 3 645 200.00	R 1 000 000.00		R -	R -				
		Mgolomi Sportsfield Upgrade	Ward 4	R 2 500 000.00	R 1 000 000.00	R 1 000 000.00	R 500 000.00	R -	R -		X		
		Vusushaba Sportsfield Upgrade	Ward 4	R 4 000 000.00	R 1 500 000.00	R 2 000 000.00	R 500 000.00	R -	R -		X		
		outdoor Gym facilities	Per Cluster	R 5 000 000.00	R 1 000 000.00	R 1 000 000.00	R 1 000 000.00	R 2 000 000.00					
6. 3. 6.		Community Halls		R 44 163 850.00	R 12 863 850.00	R 16 800 000.00	R 10 500 000.00	R 4 000 000.00	R -				



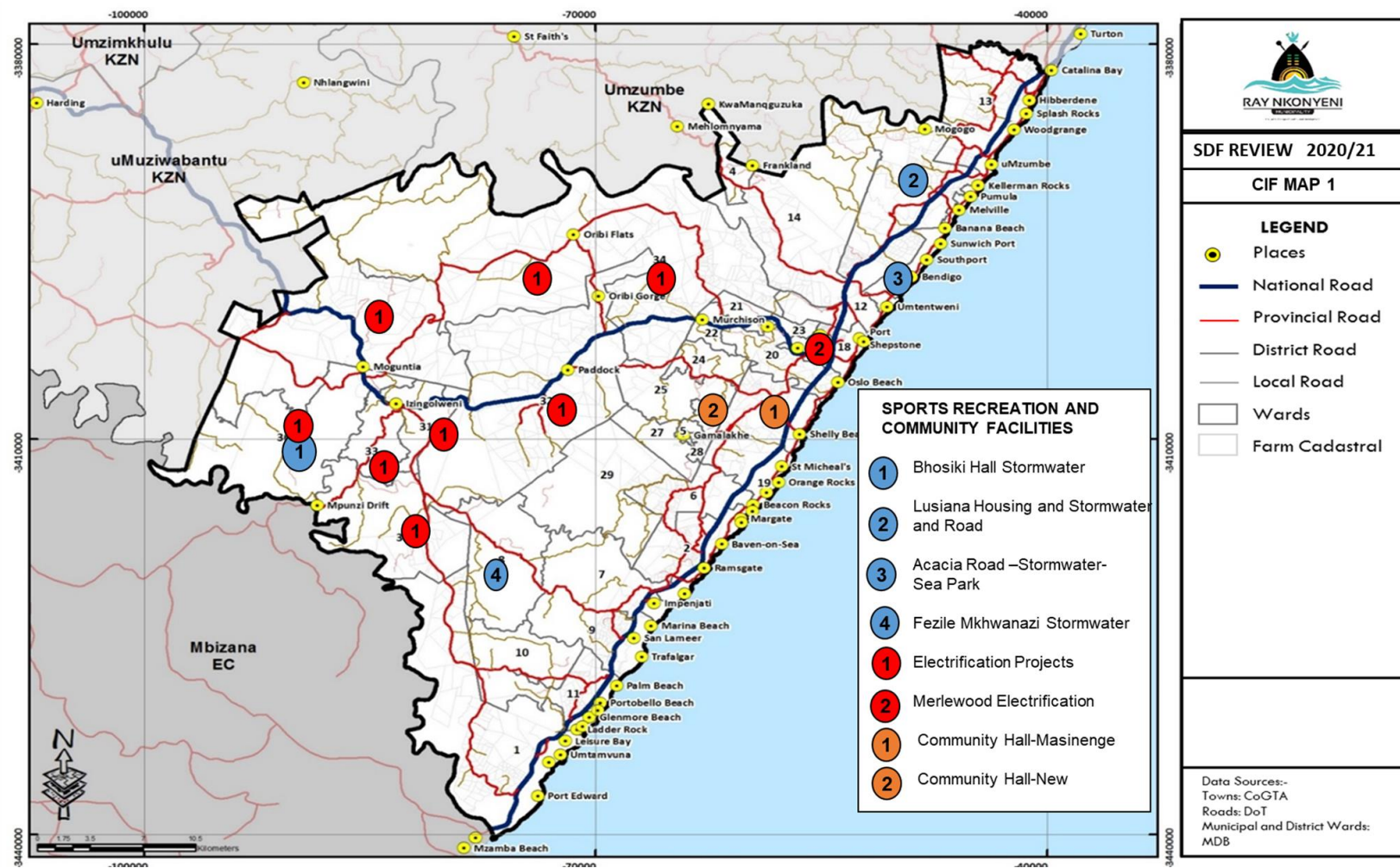
	Community Hall-Ward 30	Ward 30	R 5 783 900.00	R 2 533 900.00	R 2 250 000.00	R 1 000 000.00	R -	R -		X		
	Community Hall-Ward 33	Ward 33	R 7 172 600.00	R 1 672 600.00	R 2 500 000.00	R 2 500 000.00	R 500 000.00	R -		X		
	Nkulu Community Hall	Ward 36	R 3 077 825.00	R 227 825.00	R 350 000.00	R 1 500 000.00	R 1 000 000.00	R -		X		
	Community Hall-Ward 9	Ward 9	R 5 733 900.00	R 2 733 900.00	R 2 500 000.00	R 500 000.00	R -	R -		X		
	Community Hall-Ward 34	Ward 34	R 5 411 300.00	R 911 300.00	R 2 500 000.00	R 2 000 000.00	R -	R -		X		
	Community Hall-Ward 5	Ward 5	R 6 733 900.00	R 2 733 900.00	R 3 000 000.00	R 500 000.00	R 500 000.00	R -		X		
	Community Hall-Ward 3 (Masinenge)	Ward 3	R 1 227 825.00	R 227 825.00	R 500 000.00	R 500 000.00	R -	R -		X		
	Community Hall-Ward 20	Ward 20	R 5 322 600.00	R 1 822 600.00	R 3 000 000.00	R 500 000.00	R -	R -		X		

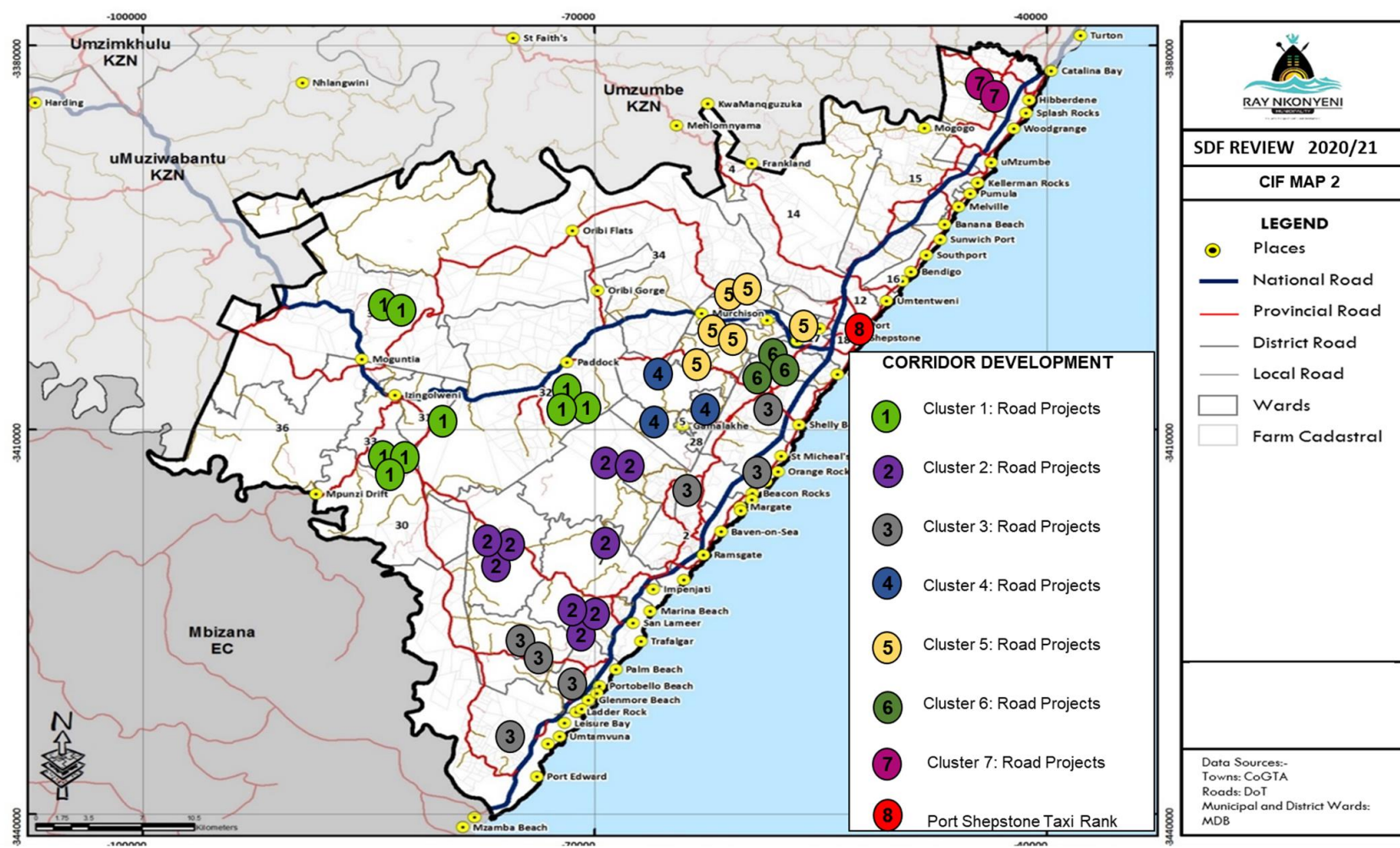


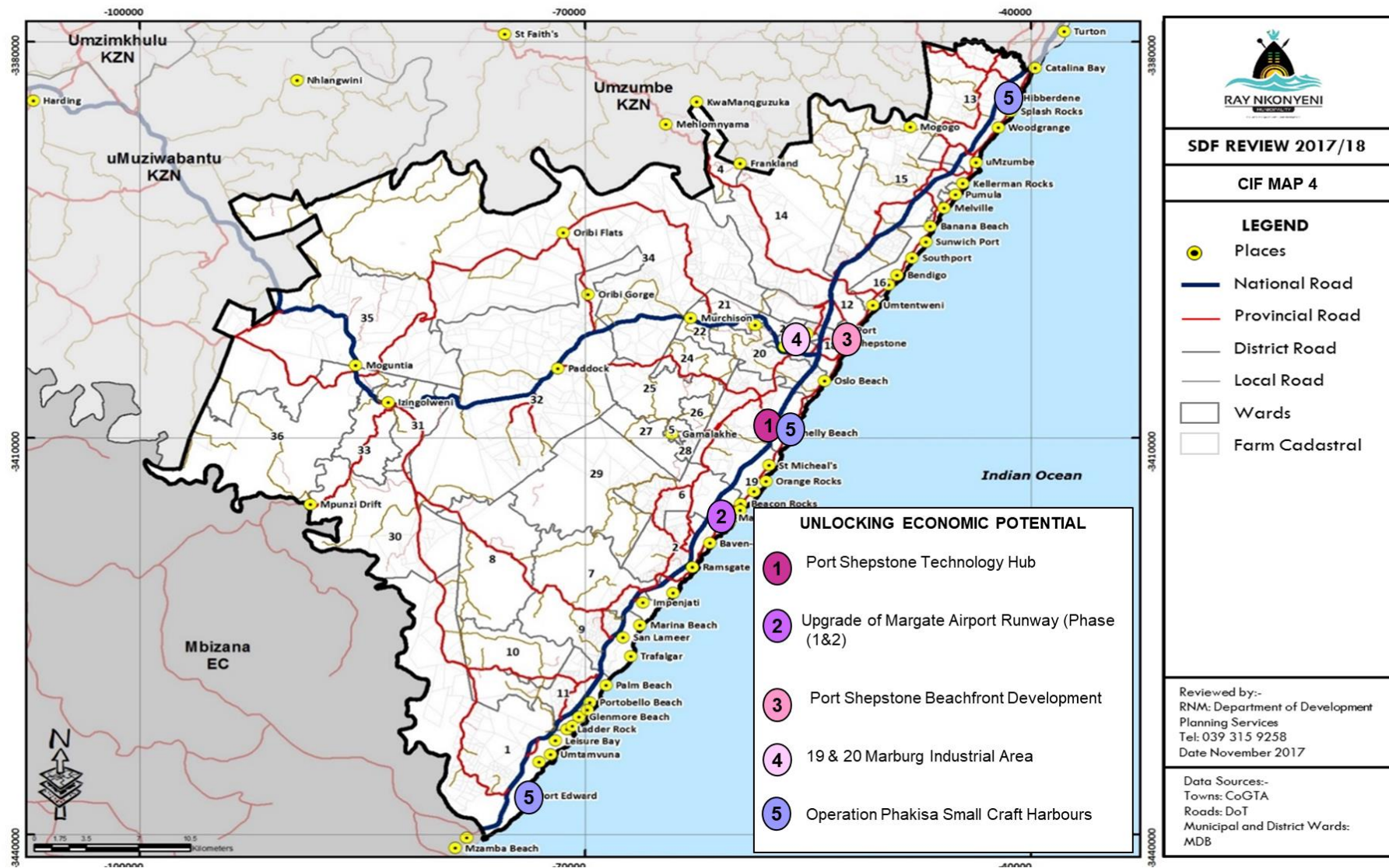
		Dumezulu Community Hall		R 3 700 000.00		R 200 000.00	R 1 500 000.00	R 2 000 000.00				
S7: UNLOCKING ECONOMIC POTENTIAL				R -	R -	R -	R -	R -				
7.1.		Port Shepstone Technology Hub	Shelly Beach	R -	R -	R -	R -	R -	R -	KZN Treasury	X	
7.2.		Upgrade of Margate Airport and Runway (Phase 1 and 2)	Margate	R -	R -	R -	R -	R -	R -			
7.3.		Lot 19 & 20, Marburg Industrial Park	Marburg	R -	R -	R -	R -	R -	R -			
7.4.		Operation Phakisa Small Craft Harbours	Port Shepstone, Hibberdene, Port Edward and Shelly Beach	R -	R -	R -	R -	R -	R -	DPW	X	
7.5.		Small Town Regeneration Programme	Port Shepstone	R -	R -	R -	R -	R -	R -	National		

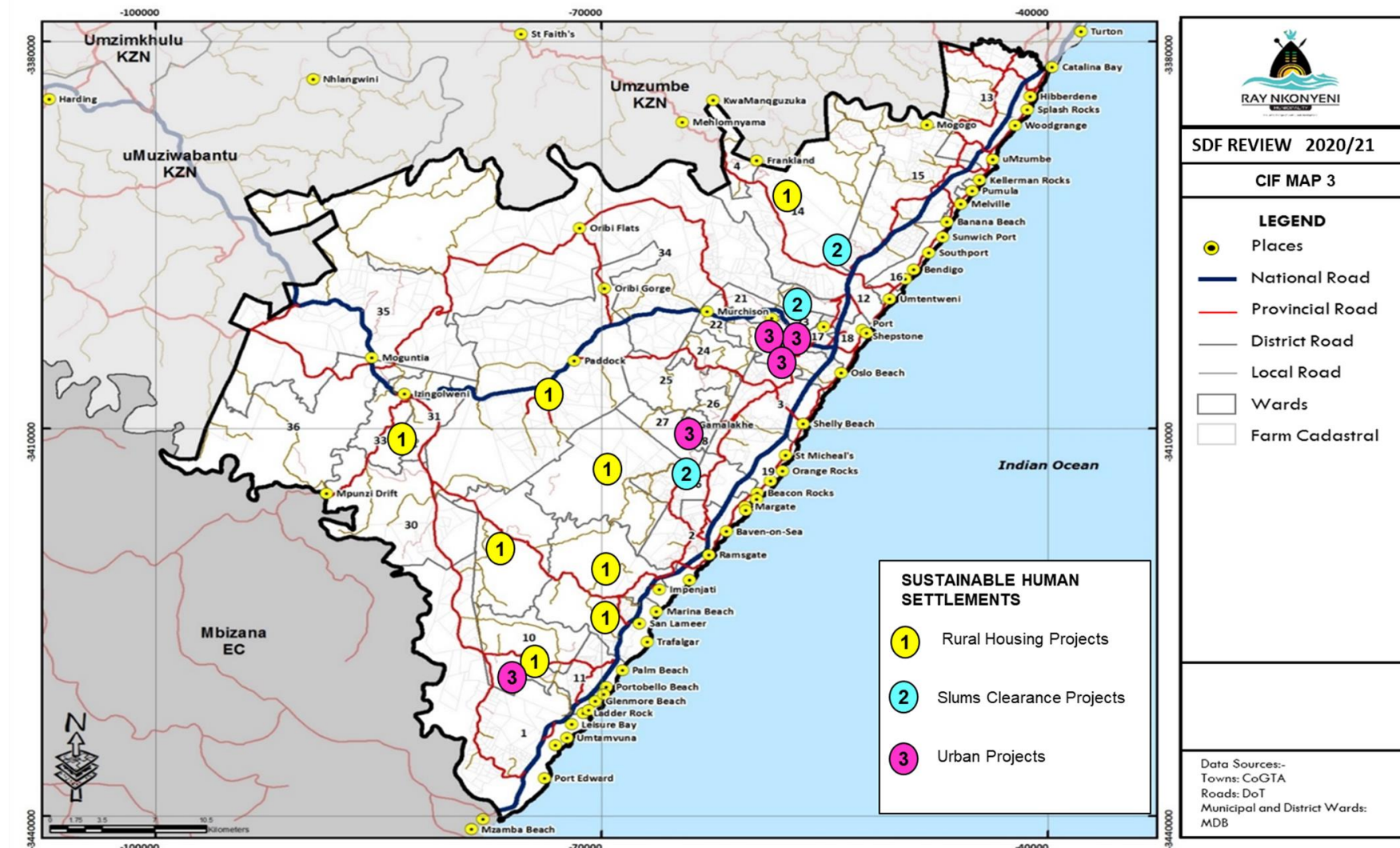


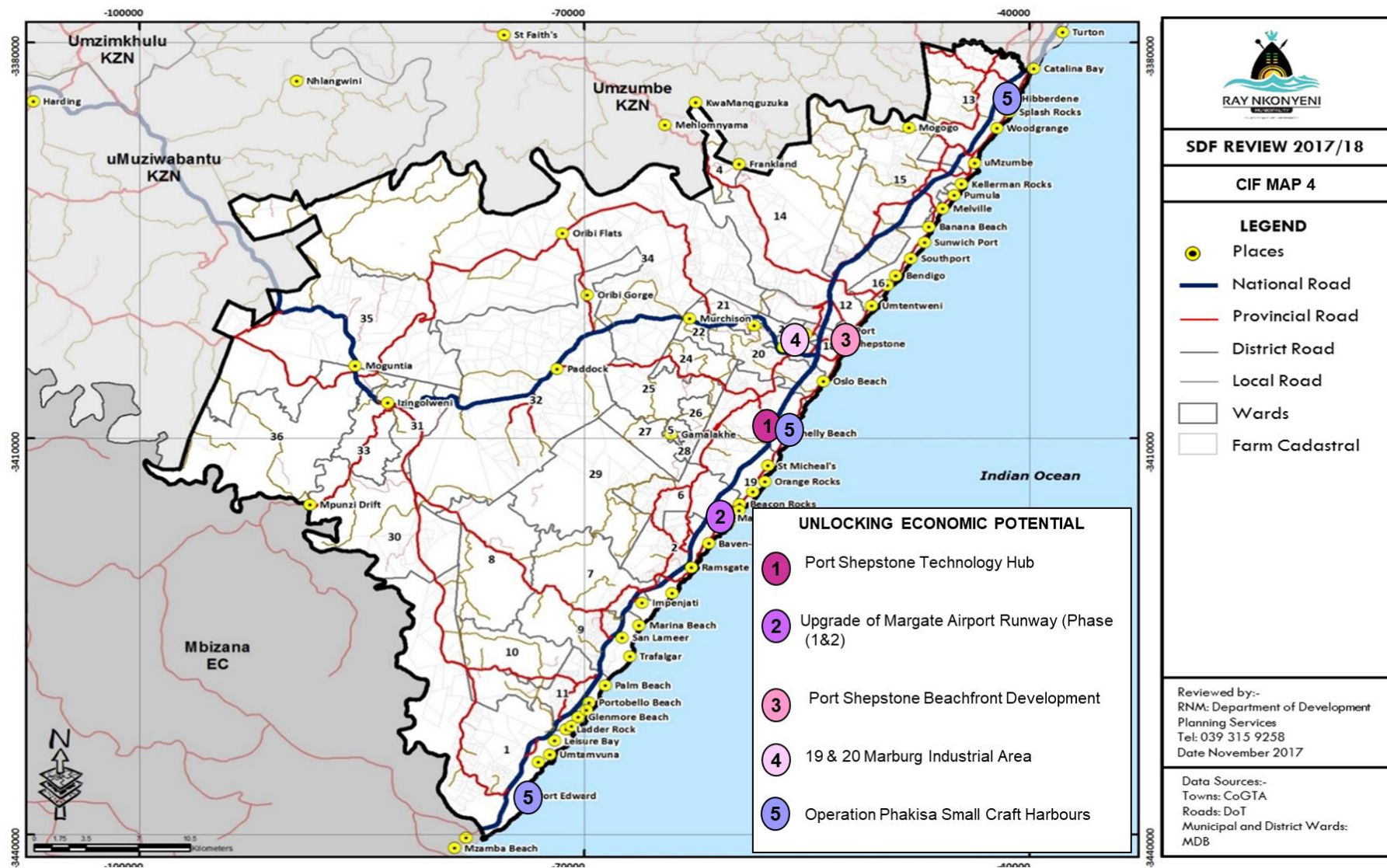
										Trea sury			
S8: SUSTAINABLE INTEGRATED SPATIAL PLANNING SYSTEM				R 3 550 000.00	R 5 450 000.00	R -	R -	R -					
8. 1.		Development of the Ray Nkonyeni Single Land Use Scheme (LUMS)	Entire Municip ality	R 1 000 000.00	R 5 000 000.00	R -	R -	R -	R -	KZN CoG TA	X		
8. 2.		Ray Nkonyeni SPLUMA Land Use Management Bylaws	Entire Municip ality	R 250 000.00	R 250 000.00	R -	R -	R -	R -	INTE RNA L		X	
8. 3.		Telecommunication Policy	Entire Municip ality	R 300 000.00	R -	R -	R -	R -	R -	INTE RNA L		X	
8. 4.		Migration from Desktop GIS to Enterprise GIS	Entire Municip ality	R 2 000 000.00	R 200 000.00	R -	R -	R -	R -	DPS A	X		













SECTION F :SECTOR DEPARTMENTS PROJECT ALIGNMENT

6.1.1 One Plan One Budget

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 257 municipalities. This process takes into account the powers and functions assigned to each sphere, fosters transparency and is at the heart of constitutional cooperative governance.

In order for a One Plan One Budget to be effective, Provincial Treasury has published transfers to municipalities in terms of Section 30(2) of the Division of Revenue Act, 2020. For this to be effective, Ray Nkonyeni Municipality has aligned with sector departments to close the gaps in terms of projects entailed in the National Treasury and Provincial Treasury.

Below is a list of budgeted projects for Ugu District:

Table 97: Local Government MTEF Allocations 2020/21-2022-23

LOCAL GOVERNMENT MTEF ALLOCATIONS: 2020/21 - 2022/23				
		2020/21 R thousands	2021/22 R thousands	2022/23 R thousands
	C DC21 Ugu			
	Direct transfers			
	Equitable share and related	501,357	544,241	586,156
	Fuel levy sharing			
	Infrastructure	292,021	316,484	330,714
	Municipal infrastructure grant	239,336	261,301	277,374
	Rural roads assets management systems grant	2,685	2,833	2,997
	Water services infrastructure grant	50,000	52,350	50,343
	Municipal disaster recovery grant			
	Integrated urban development grant			
	Metro informal settlements partnership grant			
	Capacity building and other current transfers	6,268	1,800	2,000
	Local government financial management grant	1,800	1,800	2,000
	Municipal systems improvements grant			
	Expanded public works programme integrated grant for municipalities	4,468		
	Infrastructure skills development grant			
	Municipal emergency housing grant			
	Energy efficiency and demand side management grant			
	Municipal disaster grant			
	Municipal human settlements capacity grant			
	Municipal demarcation transition grant			



	Sub total direct transfers	799,646	862,525	918,870
	Indirect transfers			
	Infrastructure transfers	-	-	-
	Regional bulk infrastructure grant			
	Integrated national electrification programme (Eskom) grant			
	Neighbourhood development partnership grant (technical assistance)			
	Rural households infrastructure grant			
	Water services infrastructure grant			
	Bucket eradication programme grant			
	Capacity building and other current transfers	-	-	-
	Municipal systems improvements grant			
	Sub total indirect transfers	-	-	-
	Total	799,646	862,525	918,870
	Transfers from Provincial Departments			
	Municipal Allocations from Provincial Departments	6,587	-	-
	<i>of which</i>			
	Economic Development, Tourism and Environmental Affairs	-	-	-
	KwaMajomela Light Manufacturing Centre			
	Margate Airport			
	Mkuze Airport			
	Pietermaritzburg Airport			
	Drakensberg Extravaganza			
	Human Settlements	-	-	-
	Operational Costs - Accredited Municipalities			
	Title deeds restoration programme			
	Planned expenditure from HSDG - level one or two Accredited Municipalities			
	Department of Sport and Recreation	5,587	-	-
	Infrastructure - Sport Facilities	5,587		
	Maintenance Grants - Sport Facilities			
	Co-operative Governance and Traditional Affairs	1,000	-	-
	Ward Based Plan			
	Schemes Support Programme			
	Spatial Development Framework Support	1,000		
	Total: Transfers from Provincial Departments	6,587	-	-
	C DC21 Ugu	2020/21 R thousands	2021/22 R thousands	2022/23 R thousands
	Breakdown of Equitable Share for district municipalities authorised for services			



	Water			
	KZN211 : Vulamehlo			
	KZN212 : Umdoni	44,193	48,654	53,378
	KZN213 : Umzumbe	37,353	40,354	43,426
	KZN214 : uMuziwabantu	28,527	31,044	33,665
	KZN215 : Ezingoloni			
	KZN216 : Ray Nkonyeni	101,832	112,838	124,598
	Sanitation			
	KZN211 : Vulamehlo			
	KZN212 : Umdoni	32,611	35,027	37,206
	KZN213 : Umzumbe	27,563	29,052	30,269
	KZN214 : uMuziwabantu	21,051	22,349	23,465
	KZN215 : Ezingoloni			
	KZN216 : Ray Nkonyeni	75,144	81,235	86,848
	Refuse			
	KZN211 : Vulamehlo			
	KZN212 : Umdoni			
	KZN213 : Umzumbe			
	KZN214 : uMuziwabantu			
	KZN215 : Ezingoloni			
	KZN216 : Ray Nkonyeni			
	Breakdown of MIG allocations for district municipalities authorised for services			
	KZN211 : Vulamehlo			
	KZN212 : Umdoni	42,806	46,818	49,754
	KZN213 : Umzumbe	76,252	83,399	88,629
	KZN214 : uMuziwabantu	34,133	37,332	39,673
	KZN215 : Ezingoloni			
	KZN216 : Ray Nkonyeni	81,146	88,752	94,318
	Breakdown of WSIG allocations for district municipalities authorised for services			
	KZN212 : Umdoni	9,000	11,000	9,000
	KZN213 : Umzumbe	15,000	15,000	15,000
	KZN214 : uMuziwabantu	12,000	12,350	12,000
	KZN216 : Ray Nkonyeni	14,000	14,000	14,343



6.1.2 Transfer of funds to Ray Nkonyeni municipality

Following are budgeted projects as published by Provincial Treasury for Ray Nkonyeni Municipality:

Table 98: Projects as published by Provincial Traesury for RNM

No.	Department	Name of project	Vote	Purpose	2020/2021	2021/2022	2022/2023
1	Economic Development, Tourism and Environmental Affairs	Margate Airport	4	For the Infrastructure upgrade at Margate Airport terminal building	R4 000 000	-	-
2	Human Settlements	Operational Costs to Accredited Municipalities	8	To provide compensation to accredited municipalities for operation costs under Vote 8,	R2 277 000 000	-	-
3	COGTA	Title deeds restoration Programme			R 2 381 000 000	-	-
4	Human Settlements	Planned Expenditure from HSDG-Level 1 or 2 Municipalities	8	To provide capital funding to accredited municipalities	R 95 309 000 000	R54 241 000 000	R56 613 000 000
5	Department of Sports and Recreation	Infrastructure Sport Facilities	10	New/renovated/upgraded/resourced community/school and recreation facility entire (DC21)	R5 587 000 000	-	-
6	Co-Operative Governance and Tradional Affairs	Infrastructure Sport Facilities	10	To support municipalities in preparing legally compliant Spatial Development Frameworks support, (DC21)	R1 000 000	-	-
7	Co-Operative Governance and Tradional Affairs	Infrastructure Sport Facilities	10	RNM	-	R 2.5 000 000	-



8	Arts and Culture	Museum Subsidies	15	To provide financial support to municipalities with focus on: <ul style="list-style-type: none"> Development and maintenance of Care and preserve of culture 	R407 000000	R429 000000	R449 000 000
		Provincialisation of libraries	15	To begin addressing the Constitution mandate whereby public libraries are an exclusive Provincial competenc and the funding will be for the provision of library services within municipalities	R11 759 000 000	12 017000 000	12 418 000 000
		Community Library Service Grant	15	To provide access to modern day technology and information resources, secure library collection,provide relevant collections of material in libraries which meet the needs of communities, and provide for staffing and operational cost of new library facilities	2 281000 000	2 440 000 000	2 563 000 000
9	COGTA	Spatial Development Framework Support	11	To support Municipalities in preparing legally compliant SDFs for Ugu District ONLY	R1 0000	-	-
10	COGTA	Spatial Development Framework Support	11	To support Municipalities in preparing legally compliant SDFs	-	R2 5 000 000	-



OTHER SECTOR DEPARTMENTS' PROJECTS

Table 99: Department of Social Development

PROGRAMME ONE	PROGRAMME TWO	PROGRAMME THREE	PROGRAMME FOUR	PROGRAMME FIVE
Sub-Programme: Office of the MEC	Management and Support	Management and Support	Management and Support	Management and Support
Sub-Programme Corporate Services	Services to older persons	Care and support services to families	Social crime prevention and support	Community mobilization
Sub-Programme District Management	Care and services to older persons	Child care and protection services	Victim empowerment	Institutional capacity building and support for NPOs
	Services to persons with disabilities	ECD and partial care	Substance abuse, prevention, treatment and rehabilitation	Poverty alleviation and sustainable livelihoods
	HIV & AIDS	Child and youth care	Restoration services	Community Based Research and Planning
	Social Relief	Community based care and services to children	Management and support	Youth development
				Women Development

2. Department of Public Works

SUMMARY OF CAPITAL PROJECTS IMPLEMENTED BY PUBLIC WORKS AT RAY NKONYENI LOCAL MUNICIPALITY WITH THEIR VARIOUS PROJECT STAGES					
No	Client Department	No of Projects	Planning	Tender	On site
2	COGTA	1	1	0	0
3	Education	12	0	8	4
4	Health	3	2	0	1
	TOTAL	16	3	8	5



EDUCATION PROJECTS IMPLEMENTED BY DOPW			
Stage	Facility Name	Service Description	
TENDER	BASHISE P – GIS latitude: -30.88829 GIS longitude: 30.314670	SANITATION PROGRAMME (PHASE 3) - UGU-17 Renovation of existing structures, construction of new (8B, 12B, 2M2F1D, 4R1T)	
	BEAULAH P – GIS latitude: -30.621330 GIS longitude: 30.363219	SANITATION PROGRAMME (PHASE 3) - UGU-13 Renovate existing structure (2M1F), construction of new (6G, 6B, 2M2F1D, 3R1T)	
	DUDUZILE S – GIS latitude: -30.637730 GIS longitude: 30.366139	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures, Construct new blocks (10G, 10B, 1F1D & 2M2F1D).	
	EZINQOLENI JS – GIS latitude: -30.789999 GIS longitude: 30.134380	SANITATION PROGRAMME (PHASE 3) - UGU-16 Demolition of existing structure, Renovate (3B, 6M6F,) construction of new (2x6G, 2B, 2M2F1D)	
	MBAMBUYA P – GIS latitude: -30.523350 GIS longitude: 30.050850	SANITATION PROGRAMME (PHASE 3) - UGU-05 Demolition of existing structures, Construct new blocks (6G, 4B, 2M2F1D & 2R1T).	
	MDULASHI JS – GIS latitude: -30.640620 GIS longitude: 29.899719	SANITATION PROGRAMME (PHASE 3) - UGU-03 Demolition and renovation of existing structures, Construct new block (1F1D).	
	MHLABUHLANGENE JS – GIS latitude: -30.921370 GIS longitude: 30.186999	SANITATION PROGRAMME (PHASE 3) - UGU-13 Demolition of existing structure, construction of new (12G, 10B, 2M2F1D & 3R1T)	
	SISTER JOANS H – GIS latitude: -30.724740 GIS longitude: 30.381710	SANITATION PROGRAMME (PHASE 3) - UGU-07 Demolition and renovation of existing structures, Construct new blocks (6G & 2M2F1D).	

HEALTH			
No	DESCRIPTION	FACILITY NAME	SERVICE DESCRIPTION
I	PLANNING	Murchison Hospital – GIS latitude: -30.727578 GIS longitude: 30.343592	Upgrade Theatre Conditioning Plant
		Port Shepstone Hospital – GIS latitude: -30.743500 GIS longitude: 30.459877	Conversion A Ward into 28 Bedded Psychiatric Unit.

KZN COGTA			
No	DESCRIPTION	FACILITY NAME	SERVICE DESCRIPTION
I	PLANNING	UGU LOCAL HOUSE AT NO 35 RIDGE ROAD PORT SHEPSTONE, WIMS 065202	UPGRADE & ADDITIONS OF AN EXISTING HOUSE AND CONVERTED TO OFFICE ACCOMMODATION

Table 100: Current and committed SLP projects

Idwala Carbonates	Development of Isiqalo Creche	
	Upgrade of KwaNdabezinhle Primary School.	KwaNdwalane
	SMME Agricultural Project in KwaLushaba	KwaLushaba



Private Projects

There are private projects,(2) (NGO) that are currently on initiative stages and will bring social upliftment within the municipality. Business plans have been drawn up and land with dilapidated buildings have been identified. These projects will serve as rehabilitation centers and need financial assistance to renovate the buildings and for their daily runnings respeptively. Land has been identified in Ward 13 as well as at Ivongo.

Below is a list of privately proposed projects.

Table 101: Privately Proposed projects

NAME OF PROJECT	INITIATOR	PROJECT LOCATION AND TYPE	STATUS	ESTIMATED AMOUNT
1.Sunrise Rehabilitation Center	Private Initiator	Erf 1942 Ivungu & Ward 13	Conceptualization stage	R 5 M



SECTION G: 5 YEAR IMPLEMENTATION PLAN

REFER TO ATTACHMENT No. 24